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The Concept and Practice of Conflict Prevention: A Critical Reappraisal

Moolakkattu Stephen John

The idea of conflict prevention, with its supposedly straightforward appeal remains complex and contested. The inter-textuality of globalization and the conflict prevention discourse as well as the embeddedness of both in a project of global governance make it a disciplinary tool presented in a format of humanitarianism. Globalization is an uncontested foundational entity in the discourse. The idea of prevention often carries with it a mark of hegemony of the dominant powers who dictate as to what is a preventable conflict, when prevention should take place and what mode is appropriate in a particular circumstance. Conflict prevention should reflect the perspectives of not just the elites and global players. A theoretical and practical exposition on conflict prevention could better rely on those concerns, instead of relying on a supposedly neutral language of strategic choice. Otherwise the predictive exercises, indicators, early warnings and the whole repertoire of tools associated with the discourse on conflict prevention would be quite vacuous.

Ever since the end of the Cold War and the emergence of deadly ethnic conflicts, there has been a rethinking in academic and policy circles that a proactive response to these problems is essential, instead of the reactive mode that had characterized the conflict management efforts earlier. The ethnic cleansing in Bosnia, genocide in Rwanda and the civil anarchy and famine in Somalia are constantly cited as compelling logic in favour of the idea of prevention, so also the apparent successes in places like Macedonia and the Baltic Republics, among others. The urgency and desirability of prevention has not only been echoed in the agendas of the United Nations (UN) and that of the regional organizations such as the European Union and the Organization of African Unity, but has also exerted some influence on the US approach to defence and foreign policies during the last decade. This is one of the key areas of priority for big donors like the World Bank and large international non-governmental organizations (NGOs). Conflict prevention is projected as a policy-loaded theme, and is promoted by a number of scholars in the field of international relations and conflict resolution. The idea of conflict prevention is perhaps not new. It was implicit in the continual human quest to re-order societies

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and create new institutions—a part of the Aristotelian search for good life as well as in the normative philosophy surrounding it. The new-found interest in conflict prevention is, however, more narrowly focused. It is seen as a basic concept with a “solid inherent logic and a potentially valuable utility” (Jentleson, 2000: 5).

After a decade of the revival of interest in conflict prevention, it has been claimed that the international normative climate has changed in its favour, which is now seeing it as a moral obligation. The idea has now reached the stage of adolescence, if not maturity (Lund, 2002: 102). Conflict prevention creates an all encompassing organizational tool for formulating defence, foreign policy and aid for developed nations who are seen external to the causation of conflict, but key preventors of conflict and the guardians of global peace. The results stemming from this approach are claimed to be of benefit not only to the guardians, but also more directly, to those who suffer most from conflict in regions where it takes place. This article makes an attempt to look at the concept of conflict prevention and brings out its different facets from a critical perspective. I shall argue that the idea of conflict prevention is fraught with problems, which the prevention logic rooted in strategic choice fails to grasp. An awareness of the nuances can enable policy makers to avoid adventurism in the name of conflict prevention.

The idea of conflict prevention emerged in the context of a post-Cold War world, the trajectory of which was threatened by the multiplicity of conflicts. The new preoccupation with prevention is also “a response to the globalisation of contemporary conflicts” with conflict in any part of the world having its reverberations in the rest (Miall et al., 1999: 95). It also seeks to address some of the same problems that globalization has produced without renouncing the very project of globalization. Michael Lund, who was one of the first to systematically put forward the ideas of conflict prevention, admitted that “...paradoxically, the same liberalising post-Cold War values and structural changes that offer new opportunities and methods for consensus, cooperation and peace are also generating, at least in the short run, widespread societal and inter-state tensions that can result in violence, repression, or the total breakdown of society and states” (Lund, 1996: 21). This means that the problems are of a transitional nature, which is an echo of the argument put forward by modernization theorists in comparative politics when primordial loyalties were seen as undermining the stability of political systems, contrary to the linearity that the original modernization theory had proposed. According to Lund, compared to the high costs of peace keeping and peace building, which can happen only after the conflict has advanced considerably in its life cycle, if the US intervenes early in conflicts in order to prevent them, it will have good returns in terms of strengthening trade and preventing the reduction of US influence globally. That trade and investment are factors prompting the need for conflict prevention is clear from the foreword that Richard H. Solomon has written to Lund’s book in which he says that “for the United States, while many of today’s conflicts may not directly threaten our national security, they do disrupt trade and investment” (Lund, 1996: x).

What is Conflict Prevention?

There has been some degree of ambiguity about the term conflict prevention. Although many terms are used to denote conflict prevention, preventive diplomacy is what is the most commonly used term. It has been used now to denote all conceivable forms of conflict management and disparate activities relating to the moderation of conflict. Another reason for this near surpassing of the conflict resolution agenda by the prevention idea is the strong governmental as well as corporate backing that it has received in the last decade. Although there is consensus about the desirability of conflict prevention, there is no consensus as to the nature or scope of preventive diplomacy (Ackerman, 2001; Stewart, 2003). The very broad categorization of a range of activities under the rubric of conflict prevention has also grossly undermined its value as a policy tool. It has come to mean people to people conflict resolution dialogues, crisis prevention mediation, war de-escalation and termination and peace building. The only terms with which it has not been commonly attached is conflict transformation, which emerged as a popular expression synchronizing chronologically with conflict prevention, and is heavily at odds with the agenda of the official discourse on conflict resolution. But its near *surrogate*, peace building, is frequently cited as a part of the baggage of conflict prevention. It may be noted that the same strategies for conflict prevention are also applicable in conflict resolution or management, with the thrust being focused primarily on management. In fact, the conflict prevention idea has now come to mean all types of peace initiatives in the life cycle of a conflict. In other words, it has become a catch-all term and also a quick entry point for academics and policy makers who did not have much to do with the field of conflict resolution earlier.

The classic understanding of preventive diplomacy is the one provided in detail by Boutros Boutros-Ghali, the former Secretary General of the UN, in his *Agenda of Peace*, although his predecessor Dag Hammarskjöld had used it in the context of the Cold War to denote prevention of local conflicts from escalating into a conflict between the super powers. Boutros-Ghali used conflict prevention to mean action to prevent disputes from arising between parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur. In other words, by including the last, he also expanded the meaning of prevention so as to mean conflict management. In his understanding, disputes represent that stage of the conflict when it is not violent. He has emphasized the role of the UN and regional organizations in preventive diplomacy through measures such as early warning, fact-finding, confidence-building, demilitarized zones and also preventive deployment or peace keeping (Boutros-Ghali, 1995: 45). It may be noted that to prevent conflicts from arising is neither feasible nor desirable in the first place, and what is sought to be achieved is only the prevention of the violent manifestation of conflicts (Miall et al., 1999: 96). Lund defines preventive diplomacy as "action to address almost any instance of potential or actual violence, whether

or not it is interstate or inter-communal, and whether or not it might pull major powers or other countries into a larger war" (Lund, 2002: 34). Restricting his definition further, Lund describes it as "action taken in vulnerable places and times to avoid the threat or use of armed force and related forms of coercion by states or groups to settle the political disputes that can arise from the destabilising effects of economic, social, political, and international change" (Lund, 2002: 37). For him it is a response that precedes the emergence of violent conflict. He locates the space of preventive diplomacy between unstable peace and the emergence of a crisis after which it is no longer a case of prevention, but management. It does not take up conflicts in which some mechanism for prevention already exists. Lund is not in favour of preventive diplomacy being invested with the task of correcting pervasive and deep-rooted social evils. It has to be a multifaceted response, which has to take place before the emergence of violent conflict (Lund, 2002: 101). The preventive actions proposed include suppressing violence, removing weapons, dialogue and negotiations, creating and strengthening negotiation procedures or mechanisms, alleviation of socio-economic causes and removal of misperceptions.

Lund says that "the key to preventive diplomacy is the timing of its activation in relation to evolving conditions in a given place on the ground" (Lund, 2002: 44). Conflict prevention can be applied in interstate wars over territory, communal and ethnic conflicts between groups and between the state or more groups, state sponsored terrorism against groups or states, human rights violations, military coups and collapse of the economy and society. The concept of timing for Lund is "tactics" for Zartman, which means "doing the right thing at the right time" (Zartman, 2001: 10). Sensing the prospect of overload Lund says:

Effective prevention depends on finding ways of engagement that are appropriate to specific circumstances. No one formula will fit all circumstances, and to pretend otherwise is both presumptuous and risky. Because every emerging conflict situation differs, a great deal of latitude and flexibility must be given to those who devise and implement preventive strategies both on the ground and at headquarters (Lund, 2002: 131).

Jentleson (2000: 5) admits that preventive diplomacy needs "a deeper conceptual grounding and a fleshing out of its policy relevance". He seeks to place the idea within a framework of pragmatism and looks at the conflict prevention idea in terms of opportunities missed and opportunities seized. The objective of the study of missed opportunities is "to identify policy lessons that will be useful for missing fewer opportunities in the future" (George, 1999: 12). Jentleson adds that, "it is the balance between not dismissing the difficult as impossible and also acknowledging the difficulties that is the essence of genuine realism", and says that for a great power like the US its interests and values are indistinguishable in practice, implying that the defence of US values automatically also has an effect on US interests (Jentleson, 2000: 9). He insists that preventive diplomacy is not reducing foreign policy into social work or elevating humanitarian, justice and ethical considerations

above national interests (ibid.: 329). In a similar vein Zartman has also said that preventive diplomacy "is a policy for realists, made in the name of efficiency and effectiveness" not merely an ideological choice or based on a belief in peace (Zartman, 2001: 305). The idea of crossing the Rubicon is quite popular. It means the conflict, if not attended to early enough in a proactive way, can cross the threshold and reversal may become difficult and costly. This has a similarity with the idea of "ripeness" that Zartman had advanced although in this case it means "ripeness for prevention" rather than "ripeness for resolution". In the latter view, prevention efforts should wait until the conflict has progressed sufficiently. Jentleson would argue that while "ripeness" is useful in suggesting prudent assessments of when and where to engage, it sometimes gets interpreted as underestimating the risks and costs of waiting. He adds that just as conflicts can ripen through a natural process, they can also rot and hence "ripeness" should be made to work in favour of preventive diplomacy (Jentleson, 2000: 331). In other words, he finds the concept of "ripeness" more useful than the idea of a "hurting stalemate" since it can be fitted into a preventive framework as "ripeness for prevention". He says that if preventive diplomacy is undertaken before congenial conditions exist, it can itself fuel tensions by making the people prematurely aware of the conflict. When early action is taken, it should be done in a *low-key* manner without arousing media attention lest widespread comments should be generated as a result. However, such conflict prevention by stealth may not be easy in all societies (Jentleson, 2000: 134–35). Zartman thinks that unlike other negotiations, preventive diplomacy does not respond to "ripeness" because by its very nature, "it is action before the problem calls for it", making it necessary to create its own motivation and build a disposition to negotiate out of the push factor of early awareness and the pull factor of future gain. Zartman also talks about "preventive policy-making" making it distinct from conventional diplomacy. He says:

Preventive policy-making is associated with terms such as farsightedness and vision, underlying the fact that its success depends on a clear identification of future uncertainties that will—if the policy is successful—never materialise to confirm its wisdom. It is the need for action against uncertainty that has kept preventive diplomacy from being commonplace (Zartman, 2001: 306).

According to Lund, there are five factors which explain the success or failure of preventive diplomacy. The first is third party timing—before one or the other of the parties resorts to force. The second is multifaceted action, that is, employing not one but several diverse instruments. Third, support from major players, global and regional, is necessary. The existence of a moderate leadership or the extent to which the leaders of disputing groups display moderation in views, action and policies constitutes the fourth factor. Finally, the existence of the autonomy of the state from the groups engaged in the conflict enables it to initiate impartial procedures for addressing the problem. He also thinks that it is necessary sometimes to engage in "muscular mediation" apart from facilitated negotiation (Lund, 2002: 85–87).

Lund admits that there is no universal formula for conflict prevention. He thinks that effective prevention "depends on finding ways of engagement that are appropriate to specific circumstances. No one formula will fit all circumstances, and to pretend otherwise is both presumptuous and risky. Because every emerging conflict situation differs, a great deal of latitude and flexibility must be given to those who devise and implement preventive strategies both on the ground and at headquarters" (Lund, 2002: 131). Here flexibility is expected to take care of problems like cultural differences.

Conflict prevention is seen by Zartman (2001: 2) as different from conflict transformation which he locates as a "worthy goal in the long run, but one that is necessarily subsequent to and dependent on conflict management, the demotion of conflict from the level of violence to that of politics". Whether the demotion of conflict from a level of violence to politics itself is not transformation is a moot point. He sees preventive diplomacy as essentially a call for early negotiations and affirms that negotiation lies at the core of it. Elsewhere he equates it with a problem solving effort. He sees three elements, which move the contestants away from violence and escalation—stakes, attitudes and tactics. Stakes are what matter to the parties who assess the costs and benefits at the early stage of the conflict. In other words, preventive diplomacy seeks to change the perception of stakes from a zero-sum situation to a non-zero sum situation. Attitudes are subjective aspects of conflict. In preventive diplomacy attitudes are sought to be changed from the conflictual to the accommodative. Tactics involve a calculation—a sense of the cost of present action, an estimation of costs of a continued and worsening conflict and the creation of immediate benefits of the present action. Zartman also advances the idea of preventability. Evidence of a worsening situation, which calls for the need for prevention, is always subjectively presented. When clearer evidence would have arrived, the conflict may have got out of hand. The parties should also feel that the other party will share the costs of prevention to avoid future costs for all. Prevention requires public support so that there is no gap between the policy groups and the people, thereby providing the effort greater legitimacy. There should also be triggers to early awareness. It should also lead to reduction of uncertainties, a re-framing of the problem, building of home constituencies, development of a package of costs and opportunities and the creation and refinement of an appropriate regime to provide continuing prevention (Zartman, 2001: 307–11).

The Report of the Carnegie Commission and the UN Secretary General

One of the most influential contributions to the field of conflict prevention is the report brought out by the Carnegie Commission for Preventing Deadly Conflict. Apart from insisting on early response to warnings and a comprehensive approach to *counteract* the risk, the Commission spent considerable time looking at the underlying causes of violence using a public health model. It may be noted here that conflict prevention is perhaps one concept that is most amenable to medical

metaphors, particularly because preventive medicine is already a well-established branch in medical practice. The Carnegie Commission starts with the assumption that deadly conflicts are not inevitable and preventing them is not only urgent, but also possible. The Commission adopts a threefold agenda which includes preventing the emergence of violent conflict through democratization, prevention of ongoing conflicts from spreading through the creation of military barriers like stoppage of supply of arms, ammunition and funds to the belligerents and prevention of the re-emergence of conflict through disarmament, decommissioning, peace keeping and peace building.

The Commission divides the strategies for prevention into two—operational strategies and structural strategies. Operational prevention takes place with the help of outsiders when the parties cannot do it. The Commission maintains that for operational prevention, there should be a lead country, individual or organization, a coherent political, military and humanitarian approach drawing on the resources of multi-actors, adequate resources and a plan for the restoration of the authority of the host country. Local leaders should be involved at all stages of the response to allay fears relating to outsider motives and the length of engagement. In other words, the responsibility for preventing the re-emergence of conflict squarely rests with the local population (Carnegie Commission, 1997: xxi). Threats and inducements should be used selectively when preventive diplomacy and other non-violent and persuasive means fail. So also assistance should be given in return for an assurance of responsible governance. Force should be used only as a last resort, through the UN auspices, and should become a part of a multilateral effort. The measures include peace keeping, preventive deployment as in Macedonia and a rapid reaction capacity (Carnegie Commission, 1997: xxvii).

Regarding structural prevention, the Commission lays emphasis on security, well-being and justice. It means “putting in place international legal systems, dispute resolution mechanisms and cooperative arrangements; meeting people’s basic economic, social, cultural and humanitarian needs; and rebuilding societies that have been shattered by war or other major crises” (ibid : xxviii). The report recognizes the importance of women and children in prevention efforts by virtue of the fact that they suffer most in major conflicts, especially the value of women in that they are an important source of community stability and vitality in many vulnerable societies (ibid.. xxxii). The Commission exhorts the international community not to recognize states that have come into being through violent self-determination movements. On the whole, the major role for prevention lies with the states and their leaders rather than outsiders, that is, local solutions to local problems should be found. The UN Secretary General can bring to the attention of the Security Council potentially violent conflicts as per Article 99 of the Charter and also use his good offices to diffuse them. The Commission also calls for contributions to the preventive fund at the disposal of the Secretary General, which was created by the Norwegians.

In sum, the report envisages a key role for the UN as the outsider component of conflict prevention. The Commission undermines the significance of a culture of

prevention and the teaching of values appropriate to that culture through educational institutions (ibid.: xlv). The Commission concludes that deadly conflict is not inevitable and preventing it is a realistic option: "The participation of community and national leaders in all aspects of the international response helps allay fears regarding the motives of outside parties, and a plan to restore local authority also reassures outsiders that their job will come to an end" (ibid. : xxi).

Since assuming office, Kofi Annan, the Secretary General of the UN, has been calling for a shift from a "culture of reaction to a culture of prevention". In this regard he submitted a report to the General Assembly in 2001 which lays down a number of proposals. The report reiterates that conflict prevention is one of the primary objectives of the UN Charter, that the primary responsibility for that rests with the states themselves with civil society playing an enabling role and the UN and other international agencies playing a role to enhance national capacity. He advocates conflict prevention as a tool for strengthening sovereignty. Conflict prevention is expected to address "the deep-rooted socio-economic, cultural, environmental, institutional and other structural causes that often underlie the immediate political symptoms of conflict". Annan adds that an effective prevention strategy requires a comprehensive approach, both long and short term. The report argues that conflict prevention and sustainable and equitable development are synonymous in that "an investment in national and international efforts for conflict prevention must be seen as a simultaneous investment in sustainable development since the latter can best take place in an environment of sustainable peace". It also underlines the importance of cooperation of several UN actors, Breton Woods institutions, regional and sub-regional organizations, the private sector, NGOs and civil society actors for a successful preventive strategy. According to him, "while the benefits of prevention lie in the future and are difficult to quantify, the costs must be made in the present". The Secretary General emphasizes a preventive approach to collective security by addressing problems at the earliest stage possible, and also calls for introducing an element of conflict prevention in the activities of the different UN development agencies. Further, he argues that the UN has a moral responsibility to prevent conflicts of the kind that took place in Rwanda and former Yugoslavia (UN, 2001).

Early Warning

One of the most important elements of preventive diplomacy is early warning, although there is now a general recognition that the failure to intervene in the so-called opportunities missed was not a lack of warning as such. More than insufficient warning, the failure to respond to these warnings is often cited as the problem. Jentleson differentiates between three components of preventive diplomacy. The first is early warning; the second is key decisions for acting on the basis of the warning; and the third is the strategy adopted for action. Early warning is expected to fulfil the task of providing good and timely information, thereby reducing the

barriers to its accurate analysis also taking into account its dynamic aspects. He says that there is the problem of under warning as well as over warning, both of which need to be averted. Even if early warning takes place, it need not lead to an early response and one of the major problems of preventive diplomacy is the warning-response gap due to cognitive, bureaucratic and political factors and also because of a lack of sense of a crisis (Jentleson, 2000: 11–12).

Creation of a super-system for early and accurate warning as well as coordination of the warning signals is emphasized in a large number of studies which believe in the possibility of perfecting the system with a view to anticipating crises and responding with preventive action before they erupt into intense violence. The attempt is to eliminate false alarms and come to a more accurate form of risk assessment on the basis of which responses could be initiated without delay (Davies and Gurr, 1998). It is recognized that the “complexity of issues involved in early intervention and preventive diplomacy is such that usually no single organisation or sector is capable of and motivated for effective action in isolation” (ibid.: 3). Gurr, for example, constructs a risk assessment model of ethno-political rebellion derived from the results of his Minorities at Risk Project on the basis of three criteria—collective incentives, capacity for joint action and external opportunities (ibid.). He ranks specific ethnic groups in terms of the severity of risk posed by them. Another early warning model seeks to use indicators derived from general and specific conditions facilitating or inhibiting conflict escalation (Schmid, 1998).

George and Holl call for an integrated warning-response framework in order to bridge the warning-response gap. They argue that receptivity to warning needs to be promoted by reducing the decision dilemmas. According to them, warning, response gaps, particularly in humanitarian and ethnic/religious conflicts are due to reasons like perception of low stakes in the formative stages of conflicts, diversity of interpretation of warning, inadequacy of warning as a self-speaking guide, wariness to act prematurely and on false triggers, overload of such simmering crises and the overall fear of treading on a slippery slope (George and Holl, 2000).

The Strategic Dimension of Conflict Prevention

Strategic thinking underlies most of the recent efforts aimed at conflict prevention. For example, the Report of the Non-Traditional Working Group of the Woodrow Wilson Centre, which was conceived after the 2001 September attacks on the World Trade Centre, came up with a strategic approach to conflict prevention. It says, “The United States must be more strategic in efforts to reduce the national security threats posed by failed states. Development assistance programmes that aid economic, social and political development must be recognised and reflected in the strategic planning efforts” (Koppell and Sharma, 2003). It is a document which calls for strategies for improving global governance and also “to reduce the degree of uncertainty in foreign affairs”. It adds that significantly improved coordination is necessary to remove non-traditional threats to US security and

stability. Further, coordination among military, diplomatic, intelligence and development professionals and the collective assessment by all such groups should be used in international programme planning (*ibid*).

There has also been an attempt to re-fashion security in the light of the thinking on conflict prevention. William Perry, Defence Secretary in the Clinton Administration, wrote that in the post-Cold War security environment, the US strategy for managing conflict rests on three basic lines of defence: to prevent threats from emerging, to deter threats that do emerge and to defeat threats that cannot be tackled through prevention and deterrence. He observes, "As preventive medicine creates the conditions that support health, making disease less likely and surgery unnecessary, preventive defence supports the conditions that support peace, making war less likely and deterrence unnecessary" (Perry, 1996). Behind this is the need to protect the US position as a global power and the best security policy towards that end is one that prevents conflict. The conflict prevention idea seeks to expand both democracy and free-market economies, which are seen as intrinsically peace promoting. Perry asserts, "more democracy and more free-market economies in more nations means less chance of conflict" (*ibid.*).

Conflict prevention is often seen as a "part of a search for a more cost-effective security organisation" (Reychler, 1994). Luc Reychler and Werner Bauwens (1994: 215) think that, "crucial for the improvement of the international organisation of conflict prevention is the cultivation of a strategic culture among the public opinion leaders. This implies increasing their awareness of international security interdependence and on the limits of national or even collective defence arrangements". In other words, around the organizing principle of conflict prevention, a new mode of thought embracing the whole gamut of economic, social and military policies of developed countries has been created with strategic thinking constituting a key element of it.

There is a huge gap between the understanding of prevention in the approach of the UN and the Carnegie Commission and the approach likely to be adopted by national policy makers for whom conflict prevention is primarily a matter of restoration of order, a security problem in the satisfaction of which the entire governmental and non-governmental efforts will have to be coordinated. This will create new forms of hierarchies and make defence, aid and foreign policy intertwined and infused with a new security logic. Despite the tall talk about the withdrawal of the state, expansion of the meaning of security from its narrow focus on state security to human security and the saliency attached to civil society, the conflict prevention idea is rooted in the same Westphalian commitments in as much as it seeks to create effective states as the guardians of order. According to their perspective, the existence of effective states with predictable behaviour is seen as the best means of maintaining the liberal global order. Human security is thus merged into state security, which is an "uncomfortable merger", according to Richmond (2001). Yet the fact that intervention, even for prevention purposes, would amount to a kind of denial of sovereignty, is covered up under the cloak of humanitarianism, which becomes a special case in itself. In other words,

"legitimations of intervention (re)produce the sovereign state and the sovereign human being simultaneously" (Malmvig, 2001: 252). Accordingly, "the interpretation of intervention as a symptom of the demise of state sovereignty looks only to one dimension of the practice. It fails to take into account that intervention is a recognition and construction of meanings of state and human sovereignty" (ibid.: 267).

More Criticisms of Conflict Prevention

Some of the early critics of preventive diplomacy felt that too much was being read into the concept and expressed caution against its wholesome adoption. Commentators like Stedman criticized it on the ground that it represented a grey area with all the uncertainties that it entails (Stedman, 1995). Further, adoption of the policy would amount to going beyond the direct security concerns of the US. By drawing in private organizations into the security framework of the states, the states will be compromising their vital interests since they lack accountability and can even contradict governmental efforts. In other words, he is against the expansion of the security concerns of the state beyond its immediate precincts, which harks back to a traditional realist and isolationist position based on a narrow interpretation of national interest. Second, he raises a methodological point. He says that it is based on "prescience", "prescription" and "mobilisation", all of which demand a high degree of "judgement" whereas the predictive capacity of the tool is very minimal. He also feels that "actions designed to prevent violence can sometimes trigger it" (ibid.: 16). Third, he alleges an economic and ecological determinism in the prevention idea. To quote him, "proponents of conflict prevention suffer from an economic and ecological determinism; a shortage of resources cause violent conflict, therefore the solution is to increase aid" and that the internal leaders are superfluous to deadly conflict (ibid.: 19). Fourth, he says that conflict prevention ignores the role of conflicts in political change. Hence some conflicts "must be intensified before they are resolved". Here he comes close to advocating the idea of "ripeness" in conflict intervention. For him, it is better to founder late than early in a crisis. There have also been other criticisms.

Conflict prevention couches itself on a deontological solidaristic ethic although its consequentialist underpinnings are evident. In other words, even when it employs ethical maxims such as "moral obligation", it is at pains to divest the idea from its moralist foundations and present it in terms of rational choice. Some commentators describe variants of conflict prevention with outsider involvement as representing a "new military humanism", which is a contradiction in terms. It makes conflict prevention a sort of power relation couched in humanitarianism. The criticism accompanying the idea of humanitarian intervention, which is also no less contradictory, is equally relevant to our discussion here. The idea of conflict prevention is ultimately a strategy for global discipline in the service of liberal internationalism presented in a language of humanitarianism and solidarism. The persuasive part of a prevention idea is located primarily in its utilitarian tenor. It seeks to rid the

world of suffering, considering it as an undesirable thing in itself. However, there are societies which would rather consider suffering the consequences of engaging in violence for what they interpret to be a just cause to a moral pursuit. In other words, it seeks to create a new consensual morality in the midst of plurality, which may not strike a chord with the conflicting parties.

Conflict prevention theorists including the Carnegie Commission attribute conflicts to the purposive actions of the conflict leaders. They repose confidence in the prevention idea assuming that these actors can be made to understand reason. The actors themselves, or their supporters as well as their opponents, may not see their behaviour as irrational. For them, there is rationality in the supposedly irrational behaviour. Duffield thinks that organized violence has a "fateful duality". "While devastating for its victims, these groups or that creed in whose name it is being enacted often see things differently. For the leaders of terror campaigns and ethnic cleansing, rather than being criminals or manipulative elites, are often perceived as saviours and protectors of the essential elements of life itself" (Duffield, 2002). Robert Ropers feels that the fixation on prevention and termination of violence makes the movement for conflict prevention blind to questions of justice. For many societies that experience structural violence of various kinds, calls for conflict prevention may amount to an effort aimed at pacification. It must also be noted that political leaders may not have much leeway in controlling the course of conflicts (Ropers, 2001). Further, many ethnic conflicts erupt unpredictably. This is particularly true with regard to communal conflicts. Even the causation of wars is the result of a combination of factors. Miall and others (1999) observe:

Wars often arise from the juxtaposition and combination of previously unrelated chains of events. At the same time, what matters most is not the juxtaposition in time of different chains of events, but the meanings these events have for those who are responsible for taking decisions. We cannot properly explain their occurrence unless we understand not only the chain of events which led to them and the connections between them, but also the mental world of the participants and the connections they made. It is this which makes wars particularly difficult to predict and sometimes gives them their surprising and dramatic quality.

Many theorists think that prevention serves the best interests of the conflicting parties. But this is not always the case. It often serves the interests of one of the parties more than the other, particularly when the conflict is asymmetrical. Conflict preventors often fail to notice the asymmetry inherent in many conflicts and how the idea of conflict prevention affects the parties differentially. Jentleson (2000: 330) admits that prevention "is more difficult when the interests of major domestic actors are served more by perpetuation and intensification of the conflict than its resolution". Zartman (2001: 6) also agrees that while prevention is desirable, "escalation may be necessary to convince the other party of the need for serious

attention or a just solution" In other words, for him escalation should lead to the creation of a climate for negotiation. But in many conflicts, escalation serves a key function of crystallizing key issues in the conflict

Preventive diplomacy relies on counter-factual analysis. It seeks to learn from history in terms of opportunities lost and opportunities seized, as the title of Jentleson's book suggests, of trying to make claims and offer explanations of what could have happened Many political leaders have a short term policy agenda which they may not like to upset by entering into a field of uncertainty however compelling it may be Counter-factual analysis is based on estimates of an event that has not happened compared with what really happened. This is largely a speculative exercise. Since there cannot be any reliable understanding as to how the counter-factuals will be played out given the possibility for the rise of unpredictable developments, its value as a policy tool is considerably undermined.

Every society evolves through periods of violence. The "pluralistic security community" in Europe emerged after going through several wars including some of the bloodiest in human history. In that sense, conflict prevention brings about a premature closure in the natural-evolution of societies. This is not to suggest that we should be deterministic. The project of globalization or liberal governance itself is highly destabilizing and contains within it the seeds of conflict However, it is unproblematic given in the discourse on prevention. The hidden agenda in the prevention project is loud and clear, although it is often presented in a moral and patronizing language. It is that the US should remain as a foremost global economic and military power and that all the states of the world should serve a facilitative role towards this end.

Conflict prevention can sometimes be interpreted by the people at the ground level as a form of intervention which makes it mandatory that all prevention efforts are socially rooted in the local culture and concerns of the local people rather than that of external actors. The new metaphors that are coming into force like "rogue states", "failed states" and "collapsed states", are also suggestive in many ways A rogue state is whoever the US identifies as one The idea of conflict prevention can sometimes even degenerate into sanctioning doctrines like pre-emptive war and infuse it with a new legitimacy on grounds of threats to the global order.

Conflict Prevention and the Project of Global Governance

The fact that global governance is now a theme that has received wide publicity makes the conflict prevention idea also situated within this framework. The realist idea that the domestic realm is an arena of order and the external one that of disorder is not extended to the domestic realm of other states which are seen as arenas of disorder This paradox is sought to be remedied by laying emphasis on strengthening the state as a strategy and goal of the preventive enterprise. Because the domestic realm of the developing countries is an "other", it needs to be domesticated and sanitized so as to enable orderly state to state relations more possible. While not very clearly spelt out, there is a belief in the virtues of operating within

a statist framework and what is sought to be realized in a system of states governed by rules or regimes. Zartman said that the focus of preventive diplomacy is to create, use and repair regimes through negotiations so that they function as routinized and institutionalized ways of dealing with problems (ibid.: 15).

The US efforts to prevent conflicts are accompanied also by attempts to fuel conflicts in the name of terrorism. How a threat is identified is a problem. The identification of criminals in the world as well as the identification of rogue states who promote them become a key agenda. This criminalization of violence actually de-historicizes and de-politicizes it as Dillon says. To quote him: "Dehistoricising and de-politicising conflict is not, however, an unintended consequence of criminalisation. It is integral to the conceptual apparatus that underwrites juridification. Criminalisation may thus become a contributory factor in the intensification and extension of the very violence it deplores. That is so because, while appealing to justice, it does not attend to the different problematizations and categorical transformations required for inventing and applying political solvents to the conflicts that fuel the violence so deplored". Dillon and Reid (2000) say:

Emerging political complexes in Africa and Eurasia have therefore become the "strange attractors" around which novel-security-development alliance of states, international organisations, international non-governmental organisations, and local non-governmental organisations have formed within the domain of liberal peace and the interference of its turbulent border terrain. Global liberal governance thus responds to the turbulence of emerging political complexes by forming its own emerging strategic complexes as a means of dealing with the instances of violence that the densely mediated policies of the West periodically find unacceptable there or in response to the security threats that they are generally said to pose.

The above statement reinforces the notion that conflict prevention is a part of that very strategic complex.

Merlinger feels that OSCE (the Organization for Security and Cooperation in Europe) efforts to prevent conflicts in Eastern Europe and introduce liberal governance stem from a Foucauldian quest for "governmentality" in as much as it seeks to identify the East within an "imaginative cartography of instability and insecurity and to normalise it into the North Atlantic security community" (Merlinger, 2003). Its object, as Rose and Miller say is, "to shape the beliefs and conduct of others in desired directions by acting upon their will, their circumstances, or their environment" (quoted in Dillon, 1998: 331). The fact that one of the goals of conflict prevention is to "reduce the degree of unpredictability in foreign affairs" (Koppell and Sharma, 2003: 16) makes it all the more clear that it represents a disciplinary project.

Complex political emergencies, as Campbell (1998: 497) reminds us, "disturb the conventional cartography of international order". Duffield explains it by means of binary categorizations like "borderland" traits of "barbarity, excess and irrationality" and metropolitan characteristics of "civility, restraint and rationality".

There is a tendency to look at social problems as a failure of modernity, as a result of the irrational violence of the "borderlands" compared to the restraint of the "homelands". He says that instead of being a failure of modernities, they send the message of multiple modernities with potential for re-positioning within the context of globalization.

Yannis (2004) says that in the post-Cold War situation, the security in the world is predicated on the internal ability of the member states of the international system. In that sense, the state is seen as not only the guarantor of domestic order in the conventional realist sense, but is also seen as the means to ensure international stability. Interestingly, it belies the idea of liberal governance where state power is sought to be reduced. By focusing on the state as the locus around which a prevention regime is constructed, the prevention theorists actually bestow upon it an unproblematic unity and legitimacy contrary to the principles of liberalism. Global governance in a system of states may then mean the pursuit of conflict prevention in the minimalist sense as restoration of order. Often regimes will not recognize the existence of a conflict unless it is manifest in some form and hence the idea of prevention, despite the many qualifications that it may propose, contains a conservative tenor.

Conflict prevention is in one sense a kind of "normalisation of recalcitrant within the Westphalian system" (Richmond, 2001: 341). The foundations of such arrangements are unrepresentative of the diversity of actors that we find in the world. Richmond adds, "any approach to ending conflict that creates or restores an order that is even broadly agreed upon implies a universal normative framework and therefore is open to being characterised as a totalising project" (ibid.: 344).

The Structure-Agency Problematique

Theorists of conflict prevention say that conflicts arise from the "consequences of calculations by parties to the conflict of the purposes served by political violence". In other words, the problem is to "get at the purposive choices as made by the leaders of the principal parties to the conflict" (Jentleson, 2000: 7). Preventive diplomacy seeks to influence the volitional calculus by which the parties resort to purposive actions. Vivienne Jabri says that conflict derives from the "ontological relationship between agency and structure, whereas a human action is a product of human decisions made within the context of structured social relations". Hence violent conflict also "structures through the actions of agency situated in the relation to discursive and institutional continuities which both enable war occurrence and legitimate it as a form of human behaviour" (Jabri, 1996: 40). She argues that the phenomenon of violent conflict cannot be understood simply through analyses of leadership decision making, but calls for "uncovering the continuities in social life which enable war and give legitimacy, backed by discursive and institutional structures". When war is seen as constitutive of social practices, it becomes an "institutional form that is largely seen as an inevitable and at times acceptable form of human conduct" (ibid.: 3). She adds that, "our understanding of violent human conflict cannot simply be based on instrumental rationality but must situate

the agent, or acting subject, in relation to the structural properties which render war a continuity in social system", as well as legitimate it as a form of human behaviour (ibid.). An international agent chooses an action not in an ad hoc manner. In order to understand a particular action, we should "situate the party within its identifiable social and institutional position. It also requires that we know or understand the normative expectations associated with each of these positions" "The rational decision-making process is here seen to be bounded by the influence of an actor's role in society and the leadership of a party involved in an emergent conflict situation. Under this scheme, the contingent actor's subjective evaluations seem to be shaped by that actor's institutional setting" (ibid.: 66-67).

Conflict Prevention and Development

The US Agency for International Development (USAID) sees one of its major tasks as the identification of the root causes of deadly conflicts and economic and political crises as well as the use of analytical and programmatic tools at its disposal to mitigate and prevent them. Pherson (Pherson, 2001) believes that development assistance programmes are to be tailored "He talks about just changing the focus of development assistance to conflict prevention" and makes a case for operational and structural prevention adopting the approach of the Carnegie Commission. Under operational prevention, USAID is expected to assist discussion and demarcation of borders in dispute, land reform measures, inter-faith actions, open forums for exposing corruption and abuse of power, curriculum review to eliminate negative stereotypes, objective analysis in equity grievances with conflict potential and so on depending on the nature of each case. This is more of a facilitation mode. Under structural prevention, it postulates the creation of anti-corruption units within and outside government, development of good governance centres, civil society, independent judiciary, independent budget, policy and media analyses, structures to deliver essential services and to cultivate pluralist values among existing civil authorities and associations. In other words, the goal is creating capable states that would eschew violent conflict. The intended final goal through all these measures is to protect the US core needs like "a safe and secure homeland, a dynamic economic engine capable of generating new wealth, strong friends and allies, and predictable relations with others" (Lute, 2001). Duffield (2002: 1066) says that "a metropolitan consensus now exists that holds that conflict in the borderlands is the result of regressive developmental malaise". He says that development has provided "a new lease of life as a structural form of conflict prevention". Elaborating on the theme, he adds.

The reinvention of development as a form of conflict prevention is an important part of the radicalisation of developmental politics. Indeed, it denotes a new commitment to those strategies and forms of intervention that are geared to the direct attempt to transform whole societies, including the beliefs and attitudes of their members. Consequently, although poverty has always been part of

development discourse, the radicalisation of the latter has required that poverty be incorporated in a new way. In short, because of the manner in which conflict is understood, the poor have been empowered as the natural partners of the strategic actors of liberal peace in their mission of social transformation (Duffield, 2001: 121).

The fact that aid and development, including aid agencies, will have to now focus on conflict prevention ensures that US assistance will have security concerns high on their agenda. In other words, what is sought to be achieved is a close relationship between policy planners, security advisors and development agents. This securitization of development is certainly a contribution of the shift from conflict resolution to conflict prevention. This will leave very little independence for the aid agencies. Conflict sensitive development had become the order of the day and this means conducting conflict impact assessment during the different stages of the life cycle of a development project with this perspective. The envisioning of development as synonymous with conflict prevention also implies a re-ordering of priorities. Some of the activist NGOs who had hitherto seen the emergence of certain local conflicts as a positive development of their work will have to re-prioritize their development efforts, thereby playing a political role contrary to the role that they have played so far.

Conclusion

This article has tried to bring out some of the complexities of the prevention idea to show that it is not so straightforward a tool for making the world a more peaceful place to live in as is often made out by its proponents. The inter-textuality of globalization and the conflict prevention discourse as well as the embeddedness of both in a project of global governance make it a disciplinary tool presented in a format of humanitarianism. Globalization is an uncontested foundational entity in the discourse. How conflict prevention can be achieved through forms of prevention that minimize the external role and base itself on local ethos and resources is crucial for the success of prevention, so also the extent to which we are able to detach the preventive exercise from its moorings in global liberal governance. Conflict prevention should emerge from the perspectives and perceptions of the people, and not from the perspective of the elites and the global players. Only then it can be sustained.

The actions of conflict leaders are not matters of individual decision making, But they are situated actors who are influenced by the structure and their location within that structure which either constrains or enables their action. How can the idea of conflict prevention be made to work in asymmetrical conflicts? Cultural differences are seen as a matter of adaptation whereas the idea of prevention is seen as a universally valid and potent tool of peace building. In sum, the idea of prevention often carries with it a mark of hegemony of the dominant powers who dictate as to what is a preventable conflict, when prevention should take place

and what mode is appropriate in a particular circumstance. Any conflict prevention scheme will have to be painfully negotiated and weighed in order to ensure that it is not a totalizing project and local actors will have full control over local conflict space. If human security is what we want, we have to go beyond rhetoric without being seen as interventionist. We need to provide a theoretical and practical basis for conflict prevention that recognizes these concerns, instead of couching it in a supposedly neutral language of strategic choice. Until we reach such a stage, predictive exercises, indicators, early warnings and the whole repertoire of tools would be quite vacuous.

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Coercive Diplomacy and an "Irrational" Regime: Understanding the American Confrontation with the Taliban

Shah M. Tarzi

All conditions for the successful application of coercive threat clearly favoured the US to get its demands regarding the handover of the al Qaeda leadership and closure of the terrorist camps in Afghanistan accepted by the Taliban. However, American coercive diplomacy failed because of a potent combination of factors, namely, an extreme brand of Islam which the Taliban practised, the basic symbiotic relationship between al Qaeda and the Taliban, the special religious role of Mullah Omar and the Pushtunwali code so profound to the Taliban's sense of identity. The Taliban held an irrational and fatalistic view that was simply impervious to superior American military power or fear of regime change and even fear of loss of life. The implications for American foreign policy and the war on terrorism are worrisome. When dealing with terrorist groups or failed states in which the leadership has a radically different and highly destructive messianic religious and cultural referent, as was the case with the Taliban, coercive diplomacy is likely to fail.

Since the end of the Cold War, the United States Government has relied heavily on the threat of the use of force to achieve national security objectives. This reliance is partly because the strategy is seen to achieve foreign policy objectives economically, with little bloodshed and few political costs. The American public remains wary of costly engagements in far away crises, after the extraordinary pain and sacrifices that the nation endured during the Vietnam War. Consequently, the appeal of coercive threat of force, in particular air power, to deter or undo military aggression is quite strong.

Several factors prompted the American Government to frequently use coercive diplomacy. First, with the disintegration of the Soviet Union, the United States did not have to worry about resistance from another super power with global reach, nor fear the escalatory dangers inherent in a confrontation with another super power. Second, regional disputes and other conflicts that were suppressed by Soviet-US competition remained unresolved even with the end of the Cold War.

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Instead, some conflicts came into international limelight, and some of these disputes were perceived to adversely affect American interests. Third, prior exercise of political and economic power failed to resolve these disputes (Bosnia, Kosovo, etc.) and ultimately required the use of American and allied military power. Fourth, the United States was the sole military power with global reach and was consequently in the unenviable position of being asked to use military force to help resolve these conflicts. Finally, as a status quo power, the United States simply could not ignore challenges and threats to long-standing American and allied interests. Indeed, Iraq's invasion of Kuwait challenged core American interests (Alterman, 2003).

An extensive body of literature exists covering a large number of cases that help explain the nature of coercive strategy, how to implement it, why it is so prone to failure, the prerequisites for its success, and the experience of the US with military strategy involving threat of using force in the Third World.¹ However, there is a lack of adequate research on the key assumption of foreign policy that undergirds the formulation, use, outcome and consequences of coercive diplomacy, namely, national decision makers are rational actors striving to maximize national interests. The key question in this regard is whether, and to what extent, assumption of rationality underlying the foreign policy calculus of the target stated valid? This article will examine American intervention in Afghanistan in 2001 as an example of coercive diplomacy in order to shed light on this vital question. Understanding this issue is critical since America's war on terrorism incorporates coercive instruments including the threat and use of limited air power to destroy al Qaeda and other global terrorist sanctuaries.

The Afghan case provides an opportunity to shed preliminary light on the validity of the assumption of rationality in formulating the coercive threat calculus. I am cognizant of the fact that one case is not sufficient to construct a standard knowledge or make generalizations. Nevertheless, this important case will be useful in theorizing about the role of forceful persuasion, and could help national security managers in making preliminary judgments about the viability of this strategy to achieve national security objectives when used against global terrorism and leadership in failed Islamic states.

American intervention in Afghanistan to change the Taliban regime as a prelude to the capture of al Qaeda is based on open source materials, and it is only presented as an interpretative example to reach tentative conclusions. This study will begin with an account of the coercive diplomatic exchanges between the Bush Administration and the Taliban. Further, in order to fully appreciate the reason why American coercion failed in this particular case, it will be argued that conditions

¹ One authoritative work on this subject is by Schilling (1966). Alexander George is a leading scholar on coercive diplomacy. Among his major works on this topic are George (1991), George et al (1971), and Craig and George (1990). George's most recent work on which this study draws extensively is titled, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War* (1997). One other splendid recent scholarship is by Jakobson (1998). For an up-to-date collection of thoughtful essays on this subject covering numerous recent cases, see Art and Cronin (2003).

favouring the successful application of coercion were present in this particular confrontation. Finally, the reason for the failure of American coercive strategy will be discussed, and its theoretical implications highlighted.

America's Coercive Diplomatic Exchanges with the Taliban

For the purpose of clarity, the United States' confrontation with the Taliban regime can be divided into the following three phases of coercive diplomatic exchanges:

- (a) President Clinton's efforts to capture or kill Bin Laden and to coerce the Taliban to extradite him;
- (b) President Bush's demands on 20 September 2001 that the Taliban deliver to the United States Bin Laden, the entire al Qaeda leadership and close terrorist camps in Afghanistan, along with subsequent American diplomatic and coercive steps culminating in military intervention in Afghanistan; and
- (c) President Bush's 11 October 2001 statement offering to reconsider the military offensive if the Taliban acted resolutely to hand over Bin Laden, thereby providing the Taliban with a second chance, and other inducements the United States offered to secure compliance.

During the first phase, prior to 11 September 2001, the United States did not have a strategic policy toward the Taliban. The Clinton Administration's policy toward the Taliban had been passing through a sequence of several distinct phases. Between 1994 and 1996 the US supported the Taliban "politically through its allies Pakistan and Saudi Arabia", essentially because it viewed the Taliban as "anti-Iranian, anti-Shia and pro-Western". The US "conveniently ignored" the Taliban's own "Islamic fundamentalist agenda", its suppression of women and the anxiety/ alarm they created in Central Asia largely because Washington "was not interested in the larger picture". Between 1995 and 1997 American support was "even more driven" because of its support for the Unocal project, even though at that time the US had no "strategic plan towards accessing" Central Asian energy and believed that pipelines "could be built without resolutions to regional civil wars" (Rashid, 2001: 177).

A part of the first phase was driven by American domestic politics. Effective campaigning by various feminist groups and political allies of the Administration, including some from Hollywood, effected a turnaround in US policy away from support for the Taliban. Increasing revelations of Taliban support for Bin Laden, Taliban's inability or unwillingness to endorse or compromise regarding the Unocal pipeline project and the emerging moderate forces under Khatami shaped US policy (ibid.: 176–77). The latter development offered the promise of a more moderate Iranian foreign policy toward the West, and somewhat eased the need to indulge the Taliban. This phase of American diplomacy was triggered by the August 1998 bombing of the US embassies in Kenya and Tanzania by al Qaeda. In response, the US undertook several steps against al Qaeda and the Taliban.

Therefore, this phase can be aptly characterized as a coercive diplomatic engagement. Specifically, the US embargoed the Taliban, and in 1999 it orchestrated multilateral economic sanctions through the UN Security Council.² It was believed that the Clinton Administration delivered threats comparable to those issued by the Bush Administration after 11 September 2001. Further, in order to induce compliance, the Administration leveraged the good offices of Saudi Arabia and Pakistan, the Taliban's benefactors, but to no avail. This later phase of coercive diplomacy during the Clinton Administration failed as evidenced by, among others, the Foreign Minister of the Taliban, Mullah Wakil Ahmad Muttawakkil's response to American pressure and demands. He said, "We will never hand over Osama Bin Laden, and we will not force him out. He will remain free in defiance of America.... We will not hand him to an infidel nation" (Crenshaw, 2003: 328). Richard Clarke, the White House national coordinator for counter-terrorism during the Clinton and Bush Administrations, has argued before Congress and in a widely-publicized book that, prior to 11 September, Bin Laden and al Qaeda, and by extension the strategic threat posed by terrorism emanating from Afghanistan, was not the Administration's priority (Clarke, 2004).

However, immediately after 11 September 2001, the Bush Administration took a series of coercive diplomatic actions against the Taliban. Specifically, the US communicated to Mullah Omar, the Taliban spiritual leader, through Pakistan's Inter-Service Intelligence (ISI) interlocutors that Bin Laden must be handed over to the US. The Bush Administration combined this initial communication with the threat of use of force, and undertook several steps to make the threat credible. It moved military assets, relocating bombers to bases that could strike anywhere in Afghanistan, from Kandahar in the south and Kabul in central Afghanistan to northern cities of Mazaar-ae Sharif and Konduz. Meanwhile in Afghanistan the clerical *shura* (grand council) delivered a *fatwa* (religious ruling) that Bin Laden should leave Afghanistan. This *fatwa* provided a potent face-saving way for Mullah Omar to comply with international demands. However, neither Omar nor the American Administration accepted the edict of the grand council.

This phase of coercive diplomatic exchange was buttressed by a public ultimatum issued by the US. Specifically, on 20 September 2001, the President made a set of specific demands which included handing over Bin Laden and other al Qaeda terrorists to "appropriate authorities", freeing American and foreign nationals, and dismantling all terrorist bases, including training camps, and

² (a) The steps against al Qaeda and the Taliban included the United States launched tomahawk cruise missiles on 20 August against the Al Shifa pharmaceuticals plant in Khartoum and against the support infrastructure, various bases and training camps used by Bin Laden in Afghanistan near the Pakistani border; (b) America engaged in law enforcement actions against al Qaeda, including blocking of assets and monitoring of financial assets and the indictment of suspected al Qaeda operatives; (c) the Government posted a \$5 million reward for Bin Laden's arrest; and (d) the Administration placed pressure on the Taliban to extradite Bin Laden (Crenshaw, 2003: 324-28). The account of three phases of coercive diplomatic exchanges between the United States and the Taliban, including this particular section, greatly draws on Crenshaw (ibid: 305-47).

threatened the use of force in case of non-compliance. Bush stated, "These demands are not open to negotiation or discussion. The Taliban must act, and act immediately. They will hand over the terrorists, or they will share in their fate" (Crenshaw, 2003: 336). The Taliban rejected the American ultimatum. At America's behest, the Musharraf Government in Pakistan sent yet another delegation of ISI officials, those who helped the Taliban rise to power, and highly influential clerics as intermediaries, including former *madrassa* teachers of Mullah Omar and other Taliban leaders, to meet with Omar. The premise was that the clerics' intervention would serve as a substitute for the Taliban's demand for a ruling by an International Islamic Conference on the status of Bin Laden. A related goal was to take advantage of the perceived split between the so-called moderates and hardliners within the Taliban. However, the Taliban leadership summarily rejected Pakistan's mission.

According to Crenshaw, the United States tightened coercive pressure in order to instigate dissension within the Taliban ranks thereby making the Taliban amenable to reason. American actions included aid for the Northern Alliance to provide "nonmilitary" psychological operations against the Taliban. In addition, the United States landed a contingent of special operations forces and together with the Pakistani ISI convinced the anti-Taliban warlords to rise up in the heavily Pushtune-dominated southern Afghanistan region and in close proximity to Kandahar, the spiritual capital of the Taliban. These steps were coupled with a blunt ultimatum by the British Government repeating the American demands. On 6 October 2001 President Bush once again publicly warned and threatened the Taliban leadership of the consequences. However, in addition to these coercive diplomatic pressures, the United States kept the negotiating channels open as a third delegation of Pakistani clerics was sent to negotiate with the Taliban, but without success. The Taliban leadership rejected both the British ultimatum and the American threats, adhering to its position that the United States had not offered evidence of Bin Laden's culpability. Further, Mullah Omar countered Western ultimatums with his own, demanding the liberation of Palestine and the removal of foreign forces from the Persian Gulf. Mullah Abdul Zareef, Taliban's ambassador to Pakistan, publicly stated that Mullah Omar had made a "final decision" that Bin Laden would not be surrendered, nor asked to leave. Also, the Taliban mobilized itself to militarily prepare for a war with the United States.³

The Bush Administration mounted coercive pressure as it began bombing military airfields and a few high value Afghan targets, notably command centres, air defence facilities and the known residences of senior Taliban members in Kandahar, especially the residence of Mullah Omar. Further, the United States coupled selective bombing of Taliban and al Qaeda sites with the arming of and providing air support to the Northern Alliance. The American goal was to weaken

³ See *New York Times*, 28 September 2001, Section A, Column 5. Regarding Taliban's military preparation, Mullah Omar issued orders to prepare militarily the disparate militias of the Taliban, pre-empt defection by local and regional commanders who might be tempted by the fellow tribal Pushtune warlords to defect, and he used the rhetoric of "holy war" to mobilize the rank and file.

the Taliban sufficiently so that it could not withstand the Northern Alliance push towards Kabul.

In the overall American confrontation with the Taliban, this phase constituted the key period as the United States engaged in the actual use of military power, applied in controlled increments, in order to induce the adversary to comply with American demands. American military strategy depended on a combination of precision bombing, the use of special operation forces on the ground and reliance on local organized military opposition in order to force the adversary to submit.

President Bush's offer to halt bombing against the Taliban can be characterized as the third and final phase of coercion. The President suggested on 11 October that, in exchange for Taliban's surrender of Bin Laden, the United States would reconsider its military offensive. Similarly, Secretary of State Colin Powell offered the prospects of participation by moderate elements of the Taliban regime in a future Afghan Government, provided they complied with American demands. Such concession in the midst of the military offensive was motivated by the desire to respond to the Pakistani request for more time to allow moderate Taliban members to have the opportunity to prevail upon Omar to accede to American demands and to foment further dissension within the Taliban. These efforts too failed, as the Taliban ambassador debunked the notion of a "moderate Taliban", formally stating that as a matter of religious faith, the Taliban were opposed to handing over Bin Laden. The issue of the Taliban's participation in a future Afghan Government as a reward for compliance with the United States' demand was also rejected by Maulvi Jalauddin Haqqani, the commander of the Taliban forces and another so-called highly influential moderate member of the Taliban core leadership.

In retrospect, the United States may have overestimated the degree of division among the Taliban members and the role of the so-called moderates. In terms of policy choices and belief systems, the so-called moderates of the "Kabul Shura" shared the hardline views of the Taliban in general and were not more moderate than the Kandahar-based Supreme Shura which constituted the core of Taliban leadership. Further, the real power rested in the Kandahar Shura and the Military Shura; these two bodies in turn provided a network of support and loyalty to the spiritual leader Mullah Omar (Rashid, 2001: Chapter 7 and Appendix 2). Regardless of these fine distinctions, Mullah Omar rejected the final American overtures; instead, he encouraged the Taliban militia to fight and highlighted the Taliban's goal of martyrdom as morally superior to giving in to the demands of an "infidel" power.⁴

⁴ Thus, for instance, the Taliban strongly rejected President Bush's ultimatum that either Bin Laden be handed over or Taliban would incur the wrath of American military power. See *New York Times*, 22 September 2001, Section B, Column 1.

Conditions Favouring Successful American Coercion of the Taliban

In his seminal study, Alexander George has identified several vital conditions which dramatically increase the chances, but do not guarantee, that coercive diplomacy will succeed. I specify these conditions and highlight how and why the conditions favoured the United States.

Clear Objectives

Clarity as to the objectives of coercive diplomacy or precision as to what is demanded of the adversary will enable the coercer to specify the steps or actions needed to achieve the stated objectives. It is difficult to adopt precise foreign policy instruments when the goals or objectives themselves are vague. More importantly, since significant opportunities exist for the target state to misperceive the intention of the coercer, clear communication of specific objectives and demands are vital.

In the case of the Afghan crisis, the United States adhered to the specific and limited objective, namely the handover of Osama Bin Laden, Aiman Al Zawahiri and other al Qaeda leaders, the destruction of their camps and the release of Western nationals. Since the Taliban had admitted to providing support for the al Qaeda terrorist network and because of the close personal affinity between the Taliban leader and Osama Bin Laden, this goal was not only precise and limited, but it also did not demand anything that would have endangered Taliban rule. Indeed, as has been discussed earlier, the initial American demands did not include regime change in Afghanistan. Further, the United States did not impose any limitations on the sovereignty of Afghanistan or otherwise threaten the territorial integrity of the country.

Type of Provocation or Nature of Challenge Posed

A key factor that affects the chances of success is whether the objective of coercive diplomacy is to prevent an act of aggression or reverse the consequences of military aggression in order to establish status quo ante. Re-establishing status quo ante through overturning a military intervention (as was the case of Iraq's seizure of Kuwait) is more difficult to reverse than an effort to prevent a course of action or alter a status quo situation through a carefully calculated, but limited campaign. The nature of the coercive strategy in Afghanistan was of the former kind and to use Robert Pape's classification, American strategy may be characterized as a *denial strategy* because the goal was to alter the Taliban's behaviour and deny al Qaeda sanctuary, but it did not require the Taliban to reverse a military aggression as none had occurred.⁵ American demands required actions on the part of the

⁵ Robert Pape (1996) distinguishes between "denial strategies" designed to change an adversary's behaviour and "punishment" strategies. The latter began with inflicting pain on the population or the regime. See also Lake (2001: 2).

Taliban inside the country, posing a challenge for coercive diplomacy. Further, the elite Taliban force, the Arab brigade, also known as Brigade 055, was an army of 1,000 fighters of mixed Taliban and al Qaeda members. This factor may have complicated compliance with the United States' demands. However, the United States' demand was not conditioned by a total success of the Taliban to capture al Qaeda. Instead, the United States demanded cooperation to pursue and capture global terrorists and to destroy their sanctuary.

From this vantage point, American demands were rather modest. However, as noted earlier, the Taliban refused to surrender Bin Laden or even to offer cooperation to the United States to pursue the perpetrators of 11 September. Indeed, it was remarkable that the Taliban militia would risk the national interest and national security of their country and their own survival simply to support a group of terrorist fighters who were despised by the overwhelming majority of the Afghan people. These so-called "Arab Afghans" were perceived by the vast majority of Afghans to have tarnished the heroic image of the Afghan people who had forced the Red Army out of Afghanistan.

Depth of Conflict of National Interest and Coercer's Will to Succeed

Whenever the vital or permanent national security interests of the coercer and the target are in conflict, coercive diplomacy can easily degenerate into a *zero-sum* game which erodes the chances for a peaceful resolution of the crisis, as for example in the Persian Gulf crisis of 1990–91. In order for coercive diplomacy to succeed, each side must have the opportunity to identify and compromise on interests that might be secondary or tertiary for one party in the conflict, but represent vital, primary or permanent interests to the other. Consequently, the game of coercion can be structured into a *non-zero* sum game that creates incentives for the target country to cooperate, as for example in the case of the Cuban Missile Crisis.

Ultimately, no matter how propitious conditions are for the application of coercive threat, the will of the coercer to bear the cost in order to succeed is the *sine qua non* of any coercive diplomacy gambit. But in the absence of the coercer's resolve and commitment to prevail, a motivation asymmetry may develop favouring the target state.

In the Afghan case, the vital interests of Afghanistan were not engaged. The United States' demand for cooperation to capture al Qaeda members and destroy its training camps did not violate Afghanistan's territorial integrity. Equally important was the fact that the United States provided assurances to the Taliban that its forces would not attack the Taliban regime if it cooperated and that it would not seek a regime change in Afghanistan if its demands were met. During the early stage of the crisis, Colin Powell maintained that the focus of American strategy should be to place diplomatic and coercive pressure on the Taliban: "It is not the goal at the outset to change the regime but to get the regime to do the right thing." Accordingly, the United States needed to wait and see how the Taliban responded (Woodward, 2002: 124). Powell was also reported to have formulated

the Afghan case thus, "we want Afghanistan to be terrorist-free. If the Taliban can do that, fine. If not, we will work with someone else as long as they make it terrorist-free. Our rhetoric should avoid suggesting we are trying to determine who runs Afghanistan at the end of the day" (ibid : 128). Even the hawkish Vice President, Dick Cheney held a similar view asserting that, "we do not want to hit the Taliban upfront for we do not want to discourage them from changing leadership and breaking with al Qaeda" (ibid.: 130). In contrast to the Afghan leadership, vital American interests were engaged. The United States had just experienced the worst attack since the inception of the Republic, and there was national consensus in the country that it should take military action in order to capture or kill al Qaeda terrorists and destroy terrorist camps in Afghanistan.

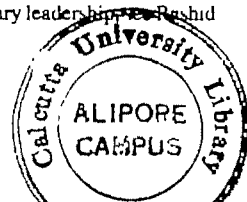
Target's Fear of Unacceptable Escalation and Destruction

Consequences of violence for the target country can play an important psychological restraint on its decision makers in determining whether to go or step back from the war path. Motivations to settle the crisis arise from the fear of consequences on the military and civilian population of the target country, and the fear of the sheer horror of war with potential for rapid escalation and its consequences on human life, the physical destruction of the country and the survival of the regime itself. As Robert Art has indicated, fear of escalation and motivational asymmetries are closely connected to each other. The target state's willingness to bear punishment and hence engage in escalation of hostilities is a function of how motivated it is to prevail (Art and Cronin, 2003: Chapter 9).

In the case of Afghanistan, it was obvious that the overwhelmingly superior American air power and a flexible strategy presented a truly lethal threat to the Taliban. The American strategy combined special operation forces that used highly sophisticated air capabilities, including Predator drones, with national Afghan forces on the ground, namely the Northern Alliance, forming a clear destructive threat. The United States had succeeded in acquiring overflight rights from Russia, base facilities from Uzbekistan and Tajikistan in the North, and access to bases in the Gulf states—all key to launching a forward military offensive. American military projection capability was such that it could inflict devastating blows on the Taliban which was terribly mismatched as it did not have a traditional army, and instead relied on *lashkar* forces. While highly motivated, historically tribal militia in Afghanistan has been less hierarchical in an organizational structure and weak in training, power projection and force protection capabilities.⁶

There is no evidence that the Taliban was seriously concerned about civilian Afghan casualties. Although the United States was concerned about Afghan civilian casualties as demonstrated by its reliance on the large-scale use of precision weapons, the absence of "high value targets" in Afghanistan and the sheer destruction in

⁶ For a discussion of Taliban's military capabilities, organization and military leadership, see Rashid (2001: Chapters 2 and 7).



that country brought by a quarter century of occupation and civil war had made the concern for the physical destruction of assets in Afghanistan a non-issue. It was fairly obvious that the United States was in a position to cause large-scale destruction and mayhem on the Taliban militia itself. The Taliban were in an insurmountable predicament, contending with the Northern Alliance in conjunction with American special operation forces on the ground and that too in the face of nearly non-existent domestic political support.

Had the United States faced a typical adversary which presumably would be expected to value civilian life, or at the very least the survival of the forces of the regime, the image of war may have acted as a potential restraint. In the case of the Taliban, it did not. The United States decided to put coercive pressure on the Taliban and to cause a rift in the ranks of the Taliban between the so-called moderate and hardline Taliban members so as to ensure compliance with American demands. Yet, apparently the Taliban leadership opted to lose their own lives rather than comply with demands to hand over a group of foreign terrorists despised by the vast majority of the Afghans, including the tribal Durani Pushtunes in Kandahar from which most of the Taliban leadership emanated.

Urgency and Time Pressure to Achieve Objectives

It is highly beneficial for implementing a coercive threat to create a sense of urgency in the mind of the target state to comply with the demands. Thus, in the Gulf Wars of 1990–91 and 2003, the American Government insisted that keeping large-scale military forces indefinitely deployed in the West Asian region, especially through the hot summer, was untenable and that withdrawal short of total Iraqi compliance was not an option either because withdrawal would irreparably harm America's commitment and reputation for power. The logical conclusion for the target state was that in the absence of compliance with American demands, hostilities were imminent.

In order to introduce a sense of urgency and to put psychological pressure on the adversary, the coercer often resorts to delivering an ultimatum. There are times when this step is needed in order to keep pressure on the target state. However, ultimatums do carry risks. Among others, an ultimatum could provoke the adversary to take preventive military measures. Further, if the adversary does not find the ultimatum credible, then it could call the coercer's bluff thereby leaving it with no option but to proceed to the next phase and use force, a situation that signals why coercive threat can be a slippery slope to war.

During the initial phase of hostilities, the United States did hold off attacks, as Tenet is reported to have said, in order "not to destabilize Pakistan and our relationship with Pakistan" (Woodward, 2002). The United States did deliver an ultimatum, as did Britain, concurrent with incremental use of air power, targeting Taliban's high value military assets. These American actions short of war had the effect of creating a great sense of urgency and put great pressure on the Taliban for compliance.

*Strong Domestic and International Support for the Coercer
and the Isolation of the Adversary*

While the United States enjoyed overwhelming domestic and international support, the Taliban Government remained completely isolated. International law, the instruments of international legality and legitimacy, absolutely favoured the United States.

Not since the Second World War had one witnessed such an overwhelming support for an offensive military action to capture or destroy the perpetrators of 11 September in Afghanistan. Public opinion polls registered upward of 80 per cent support for the proposition that the United States should pressure the Taliban to hand over the terrorists, failing which to remove forcibly the regime from power. The Taliban's massive violation of human rights, the rights of women in particular, and grisly images of Taliban atrocities, among which was the stoning of Afghan women in the national sport stadium of Afghanistan, further consolidated support beyond a resolute policy to dislodge the Taliban.

In a similar vein, the international community accepted the right of the United States to defend itself. NATO, for example, invoked the collective defence clause, equating the September attack on the United States to an attack on all NATO countries thereby triggering direct NATO military involvement in support of the United States. Further, among the great powers, Russia not only granted overflight rights to the United States, Russian President Vladimir Putin also offered help with regard to a search and rescue mission in support of American actions. Similarly, regional powers including China and India provided various degrees of support to American actions.

In stark contrast, not a single country came to the defence of the Taliban. Pakistan, a patron of the Taliban and very crucial to the American strategy in Afghanistan, made a strategic choice to withdraw support from the Taliban, to join the American war on global terrorism and to support the military offensive against the Taliban and the al Qaeda. Thus, unlike the Cold War period where American coercive diplomacy against a leftist regime, as for example the Laos crisis of 1961–62 and Vietnam in 1965, brought opposition from the other super power, the Soviet Union, in this instance the United States had complete freedom to forge a coalition against the Taliban which was thoroughly isolated.

Strong Leadership—Diplomatic and Crisis Management Skills

Crisis bargaining entails the use of persuasion, coercion and accommodation. Knowing the right combination for employing and sequencing these elements, requires skilled leadership. Indeed, to be effective, a coercive force strategy must combine the threat of using force with offering the target state conditional inducements of a positive character to secure acceptance of the demand. Further, in order for positive inducements to work, the so-called carrots are to be offered after use of force is threatened. And if a small increment of limited force is to be

used in order to demonstrate resolve, then such inducements are put forward only after the limited use of force has been initiated. Also, orchestrating this combination of threat of force and inducements involves using elements of signalling and clear communication of objectives. These elements present an opportunity for failure in a tricky and dangerous gamesmanship involved in coercing an opponent in a situation of interstate conflict (Brown, 1987: 83–85). Thus, the coercer must be able to sustain the credibility of threat and yet preserve the option to modify coercive actions so as to avoid war.

As the afore-stated discussion illustrates, orchestrating a strategy of coercive threat to achieve national security objectives is a highly complex and uncertain venture. The problem of misperception of the coercing state's intention by the adversary adds an additional element of uncertainty. The complexity of initiating and properly executing the threat of war to achieve one's national goals puts a premium on the quality of leadership and diplomatic skills of the coercive state.

To better appreciate the vital role of leadership and skilful diplomacy required to achieve the desired result, let us take the example of the Cuban Missile crisis, considered to be a model of successful coercive diplomacy. In order to coerce the former Soviet Union to dismantle a prospective nuclear capability in Cuba aimed at the United States and to dismantle those deployed short and intermediate range ballistic missiles covering the eastern seaboard of the United States, the Kennedy Administration engaged in coercive diplomacy. It clearly communicated to the Soviet Union its objectives to re-establish the status quo ante and implemented a blockade of Cuba. As a coercive measure, the blockade demonstrated American resolve and willingness to use force and yet was sufficiently flexible to permit parallel negotiations to go forward. As the crisis unfolded, the Kennedy Administration intensified coercive pressure by expanding the scope of the blockade and enlisting allies and international support. At the same time, Kennedy combined this coercive threat with an offer to the Soviet Union to remove its obsolete Jupiter missiles from Turkey, thereby providing Khrushchev a face-saving way to retreat in the face of American power without admitting defeat. More importantly, the United States specified a set of confidence building measures that aimed at improving relations with the Soviet Union in the aftermath of the crisis. In short, the Kennedy Administration clearly demonstrated how to skilfully manage a complex set of elements related to crisis bargaining and negotiation which induced the Soviet leadership to comply. In the end, the only rational course of action available for Khrushchev was to yield to American demands.

It can be safely asserted that the Bush Administration's orchestration of coercive diplomacy *vis-à-vis* the Taliban does not measure up to the Kennedy Administration's diplomatic and crisis management skills displayed in the Cuban Missile case. Nevertheless, as our exposé of the Afghan case later in this essay will show, the Bush Administration did properly execute the required steps to implement its strategy. Among others, the Administration clearly communicated to the Taliban leadership America's specific objectives, namely to hand over Osama Bin Laden and his associates and destroy the terrorist infrastructure in Afghanistan.

More importantly, the United States did not escalate its demands to include regime change, provided the Taliban acquiesced to American demands. In that crucial sense, the United States initiated its coercive threat with a limited objective. Further, the initial use of limited force against the Taliban and al Qaeda positions in the North, demonstrating American ability to achieve its goals through war if necessary, the United States offered the Taliban one last chance to comply. The Bush Administration, as is discussed later, gave a strong indication that it would support the inclusion of moderate elements of the Taliban in a future Afghan Government, in return for full compliance with American demands.

While the Administration enjoyed nearly unparalleled support of the American people to undertake military action against the Taliban thereby making the American threat of force more credible, it also organized a broad international coalition. The United States succeeded in securing support from allies and the international community at large for its mission against the Taliban including the right to use different bases in the region in order to conduct military operations in Afghanistan. Above all, using a combination of incentives and diplomatic pressure, Secretary of State Powell succeeded in securing strong support from Pakistan against the Taliban.

In short, whether it is with regard to communicating America's demands clearly to the Taliban and thus ensuring clarity as to the objectives of coercive diplomacy, garnering domestic and international military and diplomatic support, combining incentives with coercive threat, employing incremental use of force to increase pressure, or creating an urgency to comply with American demands in order to increase psychological pressure on the Taliban, the Administration demonstrated a good measure of leadership and skill necessary to execute coercive diplomacy. Yet, as I shall explore in detail later, American coercive diplomacy failed to achieve results in spite of the presence of these particular conditions.

Type of Post-Crisis Relationship Envisioned

The type of relationship the coercer hopes to have with the target state after the cessation of hostilities and communicating the coercer's intention in this regard, provides an important context for identifying both the objectives of coercive diplomacy and the means employed to support it. According to George, in the Cuban Missile crisis, both Kennedy and Khrushchev hoped to develop better relations and to engage in arms control upon the resolution of the crisis (George, 1997: 73)

In the Afghan crisis, the Bush Administration did offer the opportunity to the so-called moderates within the Taliban to participate in a future Afghan Government, provided they complied with American demands. In this narrow sense, the United States did indicate the possibility of a post-crisis relationship with the target state. More importantly, the United States initially did not put a regime change in Afghanistan as a precondition for pursuing al Qaeda, in spite of the mounting evidence that Afghanistan under the Taliban represented a "terrorist sponsored

state", a more threatening scenario than "state-sponsored terrorism". Indeed, reiterating the position of the Administration during the early phase of the crisis just prior to American intervention, Secretary Powell had maintained that it was not the intention of the Administration to go after the Taliban at the inception of the American offensive: "That is not uppermost in our minds right now." However, it is worth noting that the Administration did appear divided on this issue as National Security Advisor Condoleezza Rice had hinted differently by saying, "It's a very repressive and terrible regime. The Afghan people would be better off without it. We will see what means are at our disposal to do that" (Woodward, 2002, 127). But as it is explained later, no matter what incentives the United States had offered, it probably could not have changed the mindset of an extremist force like the Taliban who, like Islamic extremists, simply were not afraid to die for their cause. Here it suffices to note that the Taliban spiritual leader Mullah Omar had forged links with Bin Laden, and the Taliban believed in Bin Laden as a progressive force against the West and those pro-Western Islamic governments which they regarded as un-Islamic.

Strength and Asymmetry of Motivations

The importance of motivation has been highlighted earlier. Here it suffices to note that in order to accept the costs and risks of coercive threat, the coercing state must have the motivation to stay the course. Ideally, in order for the coercer to prevail, it must have a demonstrable primacy or permanent national security interests at stake backed by a credible military so as to demonstrate that it is strongly motivated to go to war if necessary.

As has been pointed out earlier, the United States had just experienced the worst single-day tragedy in its history—its territory had been attacked, albeit by unconventional means. In contrast, the territorial integrity, cultural heritage and other "reason of the state" of Afghanistan were simply not at stake in this dispute. Had the Taliban engaged in a rational cost-benefit calculus, cooperating with the international community to hand over or help destroy a group of foreign extremist fighters would have been the logical choice. This becomes especially evident when one considers that the Taliban did not have to pay any domestic political costs because the overwhelming majority of the Afghans, including the Durrani Pushtunes in and around Kandahar to which the Taliban belonged, were opposed to the operations of the Arab-Afghans in their country. Further, the *fatwa* by the council of clerics in Afghanistan to expel Bin Laden had provided the Taliban with the opportunity to comply with American demands without losing face.

In short, in terms of the will to fight, clearly the Taliban militia were highly motivated to stand up to America and endure punishment at the hands of the overwhelmingly superior American military. The question is, what was the source of the Taliban motivation, especially when vital national interests of the Afghan state were not involved and there was a high probability, as was borne out later, that

the Taliban regime would not survive a war against America. This question will be discussed in the next section.

Thus, as shown in Table 1, all important conditions existed for United States' use of coercive diplomacy against Taliban.

Table 1
Rating American Position with Reference to Ingredients/Conditions for Success

<i>Conditions for Successful Application of Coercive Diplomacy</i>	<i>US Favourability Rating</i>
Degree of clarity of objectives	High
Type of provocation—severity of challenge to coercion	Medium
Depth of conflict of national interests	High
Motivations—coercer's will to succeed	High
Asymmetric motivations	High
Target's fear of unacceptable escalation	Low
Creating sense of urgency for compliance	High
Level of domestic support for coercion	High
Level of international support for coercion	High
Degree of isolation of the adversary	High
Post-crisis relationship envisioned	Low-Medium
Coercer's leadership and diplomatic skills	High
International legality, norms and regimes	High
Overall rating	High probability of success

Rationality, Irrationality and the Failure to Coerce the Taliban

In spite of the fact that the conditions were highly conducive to the successful application of the threat of the use of force by the United States, coercive diplomacy failed in Afghanistan. The Taliban leadership refused to hand over Osama Bin Laden or otherwise cooperate with the American Government to track and destroy the al Qaeda leadership and terrorist cells in Afghanistan. Why did the United States fail to achieve the Taliban's compliance with its demands, short of war? Specifically, why did Mullah Omar decide to be on the side of Bin Laden and his followers, and why did the Taliban leadership and most of the rank and file "fatalistically" join in support of these global terrorists, in spite of the clerical *shura's fatwa* to expel Bin Laden and the strong opposition of tribal Durrani leaders? Further, what lessons can be learned from this particular case and other instances of fighting global terrorism regarding the relative validity of the key assumption so central to theorizing about foreign policy: the proposition that national decision makers are rational actors striving to maximize national interests. Shedding light on this particular issue in light of the Afghan case is important because this proposition is embedded in both the leading contending schools of thought of foreign policy, Neo-realism and Neo-liberalism. Further, it is a foundational principle that undergirds both the theory and practice of coercive diplomacy. Given the criticality of this issue, a brief statement of the theoretical premise relevant to the discussion at hand is warranted.

Both traditional realist and Neo-realist schools conceive of the state as a rational actor. Accordingly, states choose to comply with international demands for cooperation, norms, regimes and accords because of "reasons of state", or national interests. In an anarchic international environment, states engage in a rational cost-benefit calculation as they seek to enhance national security needs. This school recognizes states' need to cooperate and respond to and heed the prescription of international organizations. However, in the final analysis it is the "reason of the state" and the distribution of power and resources among states in the international system that shape external behaviour of a state.

The Neo-liberal interpretations accept the realist premise that states seek to maximize national interests in an anarchic international environment. States, according to this interpretation, act as rational actors seeking to maximize absolute and relative gains. Just like Neo-realists, the Neo-liberalists too employ a rationalist conception in that they recognize the importance of rational calculations of self-interest on the part of states. The major difference is that this interpretation, the Neo-liberal institutionalists in particular, believes that adherence to international regimes, cooperation among states and compliance with international principles and codes of conduct serve national interests, in effect to facilitate "market efficiency".⁷

On the whole, the traditional realist conceptions of the state and contemporary *Neo-realism* hold the view that national decision makers (or as Krasner puts, the "central decision makers") act rationally in pursuit of national interests. In a similar vein, Neo-liberalism depicts states as rational actors, albeit accepting that the relative gains are best realized through cooperation. In spite of their many theoretical differences, the two leading schools of thought in foreign policy and international politics share the broader philosophical foundation: both employ a rationalist conception in so far as both emphasize states' rational calculations of self-interest as a driving force behind any state's behaviour, including that relating to threat of the use of force.

The rational actor conception is the basis for explaining why the targeted state would want to comply with coercion. As Thomas Schilling has noted, states' rational calculus of cost-benefit analysis will drive them to compliance—a targeted state will comply when it realizes that the cost of non-compliance is heavier than the benefits (Lake, 2001: 3). Alexander George (1997: 62) sets forward this basic premise of the art of using coercive threat as a defensive strategy:

coercive diplomacy assumes a type of simple, uncomplicated rationality on the part of the opponent. The assumption on which coercive diplomacy is based is that if the opponent is rational, he will surely see that it is in his interest to back down. This assumption oversimplifies the root's motivation and the considerations that may influence leaders who are the targets of coercive diplomacy. The assumption of rationality does not suffice to make a confident prediction

⁷ This section draws on Tarzi (2004)

as to what an opponent will do when subjected, as Hussein was, to an ultimatum. In this situation, one does not have to be irrational to refuse to knuckle under in the face of the threat of war. The assumption of rationality on which the strategy of coercive diplomacy relies must somehow take into account psychological, cultural, and political variables that can affect the opponent's response to an ultimatum.

Coercing the Taliban is a unique example shedding doubt on the proposition that rational behaviour undergirds the foreign policy calculus of the coerced state. The Taliban were not forthcoming in meeting American demands; they first denied the whereabouts of Bin Laden and later acknowledged Bin Laden's presence in Afghanistan but refused to give in to American demands, relying instead on delaying tactics and invoking old grievances such as non-recognition of the government on the part of the Western community, American military presence in the Gulf and the United States' support for Israel. As such, the coercive threat failed. The American Government proceeded to dismantle the Taliban Government through a combination of air power and extensive use of special forces along with arming and supporting the Northern Alliance on the ground. While the Taliban regime was dislodged and al Qaeda leaders were forced to flee to the Waziristan region of Pakistan's Northwest Frontier, the military phase of that strategy continues as the United States military searches for the fugitive leadership of Taliban and al Qaeda in the Uruzgan, Paktia and Khost provinces of central and eastern Afghanistan.

However, the Taliban resistance to American demands backed by awe-inspiring and overpowering projected military power (made all the more credible by overwhelming support of the American people to use force) sheds doubt on the assumption of rationality in foreign policy decision making especially when dealing with terrorism.

To understand this failure of coercive threat, it is instructive to explain the deeply held fanatic, extremist, fundamentalist belief system of the Taliban, their particular conception of messianic *jihadi* and fatalistic struggle, the special role of Mullah Omar as *Amir-ul-Momineen* (the defender of the faithful), and the Taliban ties to Bin Laden in combination of culture-bound code of honour of *Pushtunwali*.

The Taliban's brand of Islamic extremism was embedded in an ultra virulent and militant *neo-Deobandi* movement taught to them in Pakistani *madrassas* by Pakistan's *Jamiat-i-Ulama-i-Islam* (JUI). The JUI was an extremist party with a harsh, militant, anti-American, anti-Shia and anti-Muslim culture (Rashid, 2001: 90). At least eight Taliban cabinet ministers in Kabul were graduates of the JUI's *madrassas*, as were many governors in the provinces, military commanders, judges and bureaucrats (ibid.). More importantly, the Taliban had closer ties with the most virulent and harshest anti-Western and anti-Shute faction, the *Sipah-e-Sahaba Pakistan* (SSP). This group has been among the strongest supporters of Bin Laden in Afghanistan. Large numbers of its students were in turn trained in the Taliban-controlled Khost region of Afghanistan and their *madrassas* provided manpower

for the Taliban in their internal war against the Northern Alliance. These ties between pro-Bin Laden Islamic extremist groups and the Taliban were strengthened by the fact that several *Deobandi* leaders were members of the Durrani Pushtun tribes, as were the Taliban based around Kandahar and Chaman. Bin Laden's puritanical *Wahhabi* views were quite compatible with those of the Taliban.

The Taliban albeit extremely rigid and intolerant, were initially very parochial and had not formed a perspective on issues of global *jihad*, the United States, etc. It was Bin Laden and the al Qaeda leadership which shaped Mullah Omar's view of the United States and the West, thus channelling irrational fundamentalism to hostility to the West. In addition to ideological affinity, Bin Laden provided financial support as well to the so-called Afghan-Arabs to fight alongside the Taliban in domestic battles (*ibid.*: Chapters 6–8). Therefore, Mullah Omar offered sanctuary to Bin Laden in Afghanistan. The Taliban conceived of *jihad*, as did the al Qaeda terrorists, as unconditional warfare against the non-believers. This factor in combination with a deep belief in *Shahadat* (death in war against non-believers and for the cause of Islam and Allah) together with anti-Western cultural and religious conservatism combined to create an irrational and fatalistic view that was simply impervious to superior American military power or fear of regime change and even fear of loss of life. Put differently, like the extremist Islamist terrorists who are not afraid to die for the cause of *jihad* against the "Jews and the Crusaders", making coercive threat meaningless, the Taliban were largely unafraid of American power. As such they were incapable of arriving at a rational calculation of Afghan national interests and national security, thereby rendering American coercive diplomacy meaningless.

This attitudinal and behavioural posture of the Taliban was reinforced by three other key factors. First, the Taliban model of Islam does not rely on building institutions, but rather on the power and authority of a single charismatic leader, whose character and purity is critical to the state and the community, much in the tradition of the classical Caliphate period. From this vintage, Mullah Mohammad Omar was not just a spiritual leader, but *Anur-ul-Momineen* (leader of the faithful), a position more exalted than the *Vilayet Faqih* (clerical government) in Iran which provided the basis of support and legitimacy for rule by the Ayatollah Khomeini and thereafter for a theocratic regime in Iran. Thus supporting and following the *Amir* became a religious duty of the Taliban militia. The initial bombing of the Taliban strongholds to foment dissension within their ranks and to turn the so-called "moderates" against Mullah Omar failed because American strategists underestimated the special position of Omar.

More importantly, this factor also helps explain why so many Taliban fatalistically followed their spiritual leader to a war with the United States in the face of overwhelming odds. Yet, as has been noted, Mullah Omar rejected American demands and overtures to resolve the conflict, even after the United States temporarily halted bombing to give the Taliban a second chance to cooperate. On the contrary, at that crucial stage Mullah Omar encouraged the Taliban troops to continue to fight the "infidel". His statement offered a glimpse into the Taliban's

Weltanschauung and the logic of martyrdom that made them impervious to coercion and the traditional conception of rationality in decision making for reasons of state. Omar stated on 17 October 2001, "We are confronted with a big infidel," and, "This is a test. The people are suffering, but this is a test we shall pass, God willing." He added that as Muslims, the Taliban did not fear death.⁸

Second, the affinity between Taliban and al Qaeda extended beyond Islamic ideology. The best trained among their forces jointly fought the Northern Alliance. Al Qaeda even masterminded the death of the Northern Alliance leader Ahmed Shah Masood. Further, not only did Bin Laden provide financial support to Taliban, his daughter was married to Mullah Omar.

Third, American coercive diplomacy failed to account for the fact that the behaviour of Mullah Omar, Mullah Hassan Akhund (Military Chief of Staff), Mullah Fazil Akund (Head of the Army Corps), Mullah Khairkhwa (Minister of the Interior), Mullah Jamma Khan, Younas Gul and Azizi Khan (Army Division chiefs) and other Taliban leaders was guided by their unshakeable belief in *Pushtanwali*—the Pushtun code of honour—which dictates that to give into the demands of a foreign infidel power to betray "guests" and to do so under duress is a personal humiliation and failure, bringing dishonour to both the family and the Khilgai tribe (the Pushtun clan to which most Taliban belonged).⁹

In retrospect, such peculiar and "irrational" Taliban behaviour caused the failure of coercive diplomacy against al Qaeda. Specifically, the US military strike on a weapons factory in Sudan and terrorist training camps in Afghanistan in 1998 were directed at the Osama Bin Laden network in retaliation for the bombing of the American embassies in Kenya and Tanzania. Yet, these actions failed to deter future terrorist attacks, as evidenced by assaults on the American destroyer Cole in 2000, and most notably by the events of 11 September 2001. Those fanatic extremists who wanted to die for the "cause" were not deterred by American power, and the traditional cost-benefit calculus that leaders of sovereign states make in order to enhance or preserve national interests and national security needs were irrelevant in this particular context.

Conclusion

The conditions for the exercise of coercive diplomacy by the United States in response to al Qaeda's attack on the Pentagon and the destruction of the twin towers of the World Trade Centre in New York were exceedingly favourable: projection of overwhelming American power, solid domestic and international

⁸ 'We will succeed whether we live or die. Death will definitely come one day. We are not worried about death. We should die as Muslims. It does not matter whether we die today or tomorrow. The goal is martyrdom' Crenshaw (2003).

⁹ For a seminal work on Afghan tribal constellations, the Pushtun tribe in particular, see the highly acclaimed work by the Afghan scholar, Louis Dupree (1970). See also Dupree's edited volume, *Afghanistan in the 1970s* (1974). Another recent authoritative study is by Barnett Rubin (2002).

support for offensive military action, threat to American national security to mention a few. Yet, American coercive diplomacy failed because of a combination of factors (a virulent extreme brand of *jihadi* Islam which the Taliban practised, the basic symbiotic relationship between al Qaeda and the Taliban, and the deeply ingrained *Pushtunwali* code so profound to the Taliban's sense of identity) changed both the cultural context that defined what rational behaviour was, as well as the Taliban's calculations of what Afghan national interests were. This potent combination imbued the Taliban with a sense of self-righteousness and fatalism that to die for the higher cause was an acceptable price when compared to the humiliation of violating both the religious and the *Pushtunwali* codes. Consequently, they were prompted to discard compliance with the norms, principles of conduct, regimes and instruments of international legality to which Afghanistan was a party. More importantly, the Taliban were nearly obdurate and unyielding in the face of overwhelming American power, as many of the Taliban militia fought to the bitter end, demonstrating their belief in *Shahadat* in the name of Allah.

A vital principle that underlies the theory of coercive diplomacy is that states are "rational actors". Therefore, national decision makers will "rationally" calculate the cost and benefits of resisting coercion or complying with demands and will act accordingly to promote the national interests of their countries. However, this study reveals that the Taliban, whose beliefs were shaped by a combination of religious extremist views and the special code of *Pushtunwali* were willing to sacrifice their political and economic power, indeed their own survival, because of such beliefs. Thus, contrary to expectation, they did not act "rationally". In this sense, this study sheds doubt on the principle of "rationality" which provides the foundation for the theory of coercive diplomatic strategy.

Regarding the policy implications of this study, one key dimension of the fight against global terrorism is to ensure that failed states do not become sanctuaries for global terrorism. Actions can be taken to coerce the governments of such states to prevent such an outcome and to use the threat of force against global terrorist networks. However, America's confrontation with the Taliban in the aftermath of American strikes against terrorist training camps in Afghanistan in 1998 and subsequently 11 September indicate that assuming rational behaviour on the part of the target state or groups is inherently a questionable proposition, thereby limiting the utility of coercive policy. Specifically, when dealing with terrorist groups or failed states in which the leadership has a radically different and highly destructive messianic religious and cultural referent, the notion of rational behaviour itself becomes a culture-bound frame of reference. Consequently, the cost-benefit calculus necessary to arrive at a decision on the part of the coerced state or group as to whether to comply or not to comply with coercive threat may not exist or simply would not matter, rendering the use of coercive diplomacy a meaningless exercise.

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The Cairo Dialogue and the Palestinian Power Struggle

P.R. Kumaraswamy

Between November 2002 and December 2003 various Palestinian factions initiated the Cairo dialogue that was aimed at offering a limited and conditional ceasefire vis-à-vis Israel. Despite three rounds of talks, the exercise proved unsuccessful. Fatah and Hamas, the principal players, entered the process with deep misgivings about each other's motives. Each side aspired to secure substantial concessions from the other. As both sides viewed the entire exercise in zero-sum terms, even marginal concessions from one side would have meant substantial gains for the other. The differences between the two sides were unbridgeable. Despite the lack of progress, the Cairo dialogue served the interests of the Palestinian Authority (PA) and its opponents as well as Egypt. Real progress towards a limited ceasefire, however, would depend upon the extent of external pressures upon all these parties as well as on Israel.

Despite the persistence with which various Palestinian organizations pursued intense discussions in Egypt (between November 2002 and December 2003), popularly known as the Cairo dialogue, an agreement over a ceasefire vis-à-vis Israel could not be reached. The failure to agree on the terms and conditions of a truce was a reflection not only of the difficulties the Palestinians face vis-à-vis Israel but also the power struggle within the movement. It revealed the tension between Palestinian Chairman Yasser Arafat and his opponents. Despite the conflicting Israeli and Palestinian claims over the causes for the uprising, it is undeniable that the onset of *al-Aqsa intifada* in September 2000 has completely derailed the Israeli-Palestinian peace process, dashed the hopes of political reconciliation, reduced the Oslo process to a shambles and intensified tensions in the "Middle East".¹

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¹ My preference to use the term "Middle East" instead of "West Asia" needs a note of explanation. Despite the imperial-colonial origin of the term, "Middle East" has acquired universal acceptance and is used by Arabs and non-Arabs and by Muslims and non-Muslims. In short, all the major ethno-national groups in the region, namely, Arabs, Jews, Persians and Turks, agree on "Middle East". With the singular exception of India, none of the major countries in the world use "West Asia".

A combination of factors has shifted the focus from prolonged Israeli occupation to the renewal of Palestinian violence, especially suicide bombing. If it dominated US President George W. Bush's "Middle East" plan outlined in June 2002,² it also figured prominently in the "Middle East" Road Map proposed by the Quartet in April 2003.³ The implementation of the Road Map, which visualized an independent Palestinian state by 2005, was conditional upon the Palestinian National Authority ensuring a substantial reduction in violence, especially suicide attacks against Israel. As Palestinian leader Abu-Mazen (who briefly served as Prime Minister) put it eloquently, any meaningful progress in the peace process depended upon "demilitarizing the intifada".⁴

Reducing the level of violence, therefore, has become the foremost challenge for the Palestinian leadership. The fall of the Abu-Mazen Government and initial uncertainties of the Abu Ala Government were largely predicated on the issue of suicide attacks, which mostly claimed the lives of Israeli civilians.⁵ With the prodding and active involvement of Egypt, the beleaguered Palestinian leader Arafat held three rounds of talks with the militant Islamic group Hamas, his principal adversary and rival.

At the outset it was obvious that the Israeli refusal to create favourable conditions for the implementation of a temporary ceasefire was a major impediment. The official policy of targeted killings of key military as well as political figures associated with Hamas reached new heights in March 2004 when Israel killed Sheikh Yassin, one of the founders of Hamas. As one Bangladeshi writer candidly observed:

Yassin's death makes it clear that violent opposition to the occupation will ultimately fail. The tactic of suicide bombing should be buried along with him. If we are to see real progress towards the restoration of Palestinian rights rather than a march towards self-destruction, then Palestine will need more Rachel Corries and fewer Sheikh Yassins (Amanullah, 2004).

The substantial reduction of suicide attacks against Israel since the assassination of Yassin and his successor Ahmed Rantisi in April 2004 marked a new phase in

to describe the "Middle East". Indeed, some of the countries of this region consider "West Asia" to be a misnomer and even an insult. Moreover, unlike the politically loaded expressions such as "Eslam", the expression "Middle East" does not seek to create any history or geography.

The author's preference in this case has been respected without prejudice to the tradition of the journal to use "West Asia", not "Middle East"

² For the complete text, see <http://www.whitehouse.gov/news/releases/2002/06/20020624-3.html>.

³ The complete text of the road map formally handed over to Israel and Palestinian Authority in April 2003 can be found on: <http://www.haaretz.com/hasen/pages/ShArt.jhtml?itemNo=281192&contrastID=2&subContrastID=1&1subContrastID=0&listSrc=Y>.

⁴ For example see, al-Na'am and Amarah (2003). Unless otherwise mentioned, all Arabic and Hebrew materials are taken from the electronic version of Foreign Broadcasting Information Service—Near East and South Asia or FBIS-NES.

⁵ As suicide attacks receded, differences between these two leaders and Chairman Yasser Arafat overshadowed Israeli-Palestinian differences.

Israeli-Palestinian relations. Contrary to initial apprehensions, such high profile assassinations had not resulted in Hamas carrying out its promise of "opening the gates of hell"

Why then were the talks continued despite Israeli reprisals, retaliations, targeted killings and other brutal and hostile actions? If Israel was responsible for the failure of the ceasefire agreements, why were the talks pursued until late 2003? Excessive and exclusive focus on Israel for the failure of *hudna* (Hebrew word which means temporary truce) would prevent one from understanding the internal Palestinian dynamics. An attempt is made in this article to evaluate the compulsions that led all Palestinian factions to seek a dialogue, differing calculations of the participants, contentious issues that eventually prevented an agreement and possible future scenario.

The Cairo Talks

Talks among Palestinians aimed at evolving a common strategy *vis-à-vis* Israel was nothing new. Since the formation of Hamas in 1988, Arafat and all key Palestinian institutions headed by him, namely Fatah,⁶ the Palestine Liberation Organization (PLO) and the Palestinian Authority have been trying to seek a *modus vivendi* with the Islamists. Through a combination of clever tactics Arafat sought to co-opt the Islamists. Following the Oslo accords, he was more than willing to seek a political understanding with Hamas that would legitimize and consolidate his authority. Towards this end, both sides have been conducting low-level talks in the Gaza Strip aimed at discerning and accommodating each other's wish list. Such talks have often been preceded by Hamas-initiated militant attacks against Israel or by Fatah-Hamas tensions, which at times led to violence and rioting.

At one time, Sudan and its Islamist leader Hasan al-Turabi mediated the two sides by facilitating a dialogue in Khartoum.⁷ In later years, Egypt provided similar opportunities. The *al-Aqsa intifada* and adverse international reactions to suicide bombings against Israeli civilians provided a new impetus to the talks. These preliminary discussions have assumed a regional dimension and have gradually evolved into the Cairo dialogue. Unlike earlier talks, these were more structured and different. In the preliminary round, senior Fatah and Hamas leaders met in Cairo during 9–13 November 2002; Central Committee member Zaharya al-Agha led the Fatah delegation while Hamas was led by its politburo member Musa Abu-Marzouk.⁸ The second round in January (24–27) 2003 took place at a much higher level. While Khaleed Masha'al led the Hamas delegation, Abu-Mazen (who became the Palestinian Prime Minister shortly afterwards), led the official

⁶ Founded by Arafat, Fatah is the largest Palestinian group and the backbone of the PLO.

⁷ Hasan al-Turabi's interview to *Al-Sharq al-Awsat*, 21 March 1996

⁸ In the early 1990s, Marzouk headed the political bureau of Hamas and was located in Amman. In 1995, he was extradited to the US and was replaced by Masha'al. Even though Marzouk was eventually repatriated to Jordan in May 1997, Masha'al stayed on and the unsuccessful Israeli assassination attempt in September only strengthened his position.

Palestinian delegation. For Masha'al it was a personal triumph—having been deported from Amman in November 1999, he had eventually returned to play a leading role in Hamas. As the General Secretary of the PLO and close aide and confidant of Arafat, Abu-Mazen represented all the principal Palestinian institutions headed by Arafat himself. His formal nomination as Prime Minister shortly after the January talks underscored the importance Arafat attached to the Cairo dialogue. The third round of talks slated for February was delayed by US military intervention in Iraq and was eventually held in December 2003. Like the earlier rounds, thirteen Palestinian factions participated in the talks, which were followed by a high-level meeting between the key players and Palestinian Prime Minister Abu Ala.⁹

Despite these persistent efforts, protracted negotiations and intense political pressure from the outside world, an agreement remained elusive. Neither the Palestinian Authority leadership nor its opponents were in a position to reach a compromise that would be acceptable to the other. However, the most important aspect of the Cairo dialogue has been the political gains made by Hamas, its emergence as a central force in Palestinian affairs and hence a player in any future Palestinian agreement with Israel.

Conflicting Motives

The inconclusive nature of the Cairo dialogue underscores the conflicting interests of the participants and their narrow political calculations. Every major player involved in the deliberations had a different set of agendas and viewed the talks as a means of consolidating its respective position and influence. This largely explains their failure to reach some basic agreements. By reducing the level of violence, the three principal players, namely, the Palestinian Authority, Hamas and Egypt sought to enhance their respective regional positions.

The Palestinian Authority

For Arafat, the dialogue perhaps provided the last real opportunity for establishing his supremacy and authority vis-à-vis Hamas. The collapse of the Oslo process and diminishing hopes of an immediate Palestinian statehood precluded any possibility of him using diplomatic gains to win over his opponents. The destruction of Palestinian institutions, especially the security apparatus by Israel following the outbreak of *al-Aqsa intifada*,¹⁰ virtually eliminated any military options for

⁹ The factions are Fatah, Hamas, Islamic Jihad, Popular Front for the Liberation of Palestine (PFLP), Democratic Front for the Liberation of Palestine (DFLP), PFLP-General Command, Al-Saiqa, FIDA (*Al-Ittihad al-Dimuqrati Al-Filastini* or Democratic Union Party), Peoples Party, Salvation Party, Arab Liberation Front, Palestine Liberation Front and the Popular Struggle Front.

¹⁰ A number of Palestinian figures such as Sari Nusseibeh have expressed strong reservations over the term 'intifada' especially because of the absence of popular Palestinian participation, as happened during the 1987 intifada. However, the phrase has gained widespread acceptance in Palestinian as well as international circles and has been used to refer to the large-scale violent protests against Israeli occupation since September 2000.

Arafat towards Hamas. Moreover, his gradual alienation from Mohammed Dahlan, former Palestinian security chief in Gaza, meant that Arafat lacked the minimum force necessary to confront Hamas and consolidate his authority. Above all, his carrot-and-stick policy of co-optation never worked with Hamas, which from the very beginning was determined to stay out of the Oslo process.

At the same time, the non-compliance of Hamas and its growing popularity eroded the power and influence of the Palestinian Authority. At one level, the Hamas suicide campaign contributed to the weakening of the pro-Oslo forces inside Israel. If the terror campaign saw the victory of Benjamin Netanyahu in 1996, the intensification of *al-Aqsa intifada* partly contributed to the two successive electoral victories of Ariel Sharon. While "silent" Israeli measures such as increased settlement activities and expropriation of Palestinian lands in the occupied territories rarely drew international attention and pressures,¹¹ Palestinian suicide bombings against Israeli civilians evoked near universal condemnation and disapproval. They in turn eroded Arafat's diplomatic manoeuvrability. Each suicide attack made Arafat less in control of areas under his authority and contributed to his political weakness as well as physical confinement in Ramallah since late 2001.

At another level, the popularity of the suicide bombings among the Palestinians compelled others, including secular groups such as Fatah to imitate similar tactics. The emergence of groups such as the *al-Aqsa Martyrs Brigade* signalled not only public support for such attacks, but also a growing erosion of Arafat's authority even over his own supporters. He needed to establish his authority over Hamas not only to improve his bargaining position *vis-à-vis* Israel and by extension the US, but also to strengthen his support among the Palestinians.

Thus, the Cairo talks provided a politico-diplomatic route for Arafat to achieve what was not possible through co-optation or pressure tactics. At the same time, by participating in the negotiations, Arafat endorsed direct Egyptian involvement in Palestinian affairs and reversed his long policy of maintaining the independence of the PLO and keeping it free from direct Arab interference.

Hamas

At a tactical level, the Cairo talks marked a significant political victory for Hamas and established its supremacy *vis-à-vis* Arafat. Ever since it transformed into a political organization in 1988, Hamas (*Harakat al-Muqawama al-Islamiyya*) has enjoyed a number of in-built advantages over its other Palestinian rivals.¹² The personal animosity and rivalry between Yasser Arafat and a number of players in the Middle East worked in favour of the Islamic Resistance Movement.

In the early days, Israel adopted a benign position *vis-à-vis* Hamas, which was similar to the initial American attitude towards Afghan *mujahideens*. Determined

¹¹ The debates over the 'security fence' that Israel is constructing in the occupied territories, however, drew the condemnation from the International Court of Justice as well as the UN

¹² For a detailed background discussion of Hamas, see, Mishal and Sela (2000)

to circumvent and marginalize the more powerful and widely popular PLO, dominated by Fatah, Israel perceived Hamas to be a useful ally. Indeed, most of the peace efforts in the 1980s failed primarily due to determined Israeli opposition to any role for the PLO and its desire to seek a more amenable and less threatening alternative leadership from the occupied territories. On the eve of the outbreak of the *intifada* in December 1987, senior Israeli leaders were planning meetings with leading Islamists in the Gaza Strip who later became officials of the Hamas. The Jewish state even facilitated the smooth transfer of funds from abroad to various Islamic charity institutions run by Sheikh Ahmed Yassin, a spiritual leader and one of the founders of Hamas. The growth of Islamists in the occupied territories was seen to be less threatening to Israel than the secular and nationalist PLO.¹³ This benevolent attitude was reversed when Hamas began conducting daring attacks against Israel and began kidnapping and later murdering Israeli soldiers serving in the occupied territories. As a result, on 18 July 1989, nearly a year after its founding, Hamas was proscribed by Israel as a terrorist organization and in October 1991, Yassin was given a life sentence on terrorist charges.

Likewise, Hamas had a benevolent patron in Jordan. King Hussein who for long aspired to recover the West Bank (including the third holiest Islamic shrine in East Jerusalem) lost to Israel in the June 1967 war and, therefore, had a more immediate urgency to embrace Hamas. It provided the Hashemite monarch an additional opportunity to undermine Arafat. Until his death in February 1999, Hussein never gave up his aspirations for the West Bank and despite the international recognition of the PLO, he competed with Arafat for leadership of the Palestinians. His reluctant disengagement from the West Bank in July 1988 did not prevent Hussein from seeking and obtaining "special" status for Jordan over Islamic holy places in Jerusalem under the 1994 peace treaty with Israel. As a result, Jordan allowed, and to a lesser degree, patronized the presence of the political leadership of the Hamas. Formalization of peace with Israel did not compel Hussein to close down Hamas offices, even when the military wing had claimed responsibility for a number of post-Oslo accords suicide attacks against Israel. The unsuccessful Israeli attempt in September 1997 to assassinate Masha'al, the Hamas political bureau chief in Amman, provided Hussein another opportunity to undermine Arafat (Kumaraswamy, 2003). In return for the release of two Israeli assassins, he demanded and secured the release of Sheikh Ahmed Yassin, who was serving a life sentence in an Israeli prison. Yassin's eventual return to his home in the Gaza Strip, by then under the control of the Palestinian Authority, created a rival power centre in the occupied territories. It was only after the coming into power of King Abdullah-II, that the fortunes of Hamas in Jordan took a definite turn for the worst. Perceiving it to be a threat to the internal stability of the Hashemite Kingdom, in August 1999 the new monarch proscribed Hamas as a non-Jordanian foreign organization and in November, deported key Hamas figures including Masha'al to Qatar (Kumaraswamy, 2001).

¹³ Ignoring past associations, some even argue that but for Israeli recognition of Arafat, "Fatah might have been eclipsed by its Islamist rivals" (Schanzer, 2003)

In its early days, Hamas also benefited from the financial largess of the oil-rich Arab countries. The Islamic world-view of Hamas synchronized with the conservative monarchies who perceived Hamas to be more compliant than Palestinian nationalists. Moreover, PLO's support for Saddam Hussein during the Iraqi occupation of Kuwait worked against Arafat and made him *persona non grata* in Kuwait and Saudi Arabia. Political miscalculations of the PLO during the Kuwait crisis made these countries switch their support, especially financial, to Hamas.

The 11 September 2001 attacks in the US, however, brought a perceptible shift in the international position towards Hamas, especially its suicide bombing campaign. Small but influential sections of Palestinians began questioning the moral value and political usefulness of the deliberate killing of Israeli civilians. For them, such actions merely diverted international attention from Israel's occupation and worked in Israel's favour. For example, on 20 June 2002 the Jerusalem-based Palestinian daily *Al-Quds* carried a public appeal signed by a number of Palestinian intellectuals against suicide attacks. Bassam Abu-Sharif, a critic of the Oslo process, warned that suicide attacks "provided Sharon with invaluable assistance, enabling him to persuade President Bush not to press for the implementation of the Mitchell recommendations and the establishment of the independent Palestinian state".¹⁴

Domestic political compulsions and the prevailing regional atmosphere inhibit many "Middle Eastern" states from adopting an open stand against suicide bombings. In public many militant leaders maintain that there were no significant shifts in the attitude of the Arab states. For example, Usama Hamdan, the Hamas representative in Lebanon, observed: "No Arab state has taken a hostile stand toward us and the Arab people support us."¹⁵ However, there are indications that influential countries have modified their erstwhile positions towards Palestinian militant groups and that a number of countries are trying to curtail the ability of Hamas to raise funds. In September 2003, following intense American and Israeli pressures, Jordan froze the accounts of a number of Hamas leaders and Palestinian associations.¹⁶ On this account Abdul Aziz Rantisi, the Hamas leader in Gaza, strongly criticized Jordan for "voluntarily (offering) itself to the west for disparagement" (al-Hiyari, 2003). Similarly, in Lebanon, bank accounts of Hamas leaders have been closely monitored.¹⁷ Even Syria, which for long had hosted various Palestinian groups who were anti the Oslo accords, was not immune to shifts. In the wake of the Anglo-American war against Iraq and subsequent American threats, Hamas and Islamic *jihad* were made to "voluntarily" close down

¹⁴ Abu-Sharif (2002). See also, Nawfal (2002).

¹⁵ *Al-Safir* (Beirut), 9 July 2003.

¹⁶ "Jordan Freezing of Hamas Funds", editorial, *Al-Quds al-Arabi*, 16 September 2003, and "The Jordanian Central Bank Requests Suspension of Transactions with Six Hamas Leaders and Five Palestinian Associations" *Al-Ray*, 15 September 2003

¹⁷ *Al-Anwar* (Beirut), 25 September 2003.

their offices in Damascus and announce the stoppage of their activities in Syria.¹⁸ Sheikh Yassin indirectly confirmed the prevailing trend. Asked about American pressures against Arab countries over Hamas fund-raising, he told *Al-Nahar*:

When the resistance stops, it can then be said that they succeeded in drying up the financial resources, or that the Arab countries positively responded to the US pressure. However, *the resistance will continue even if the Arabs stop financial support for us. The resistance will continue with our blood and with the staples of our people.*¹⁹

Even Israel, which often accused Saudi Arabia of complicity in Hamas finances, admitted a reduction in the flow of funds and put the figure at around \$5-14 million annually.²⁰ One Israeli lawmaker went to the extent of suggesting that Saudi offered "help" in Israel in fighting Hamas.²¹

The European Union (EU), which in the past had sought to distinguish between the political and the military wings of Hamas, has eventually come around to accepting the American position. On 11 September 2003, the EU formally declared Hamas in its entirety as a terrorist entity and withdrew the "Special Security Adviser Alastair Crooke, who had functioned as the EU's link to Hamas and played an important role in facilitating the ceasefire"²²

In short, in its early days, Israel, Jordan and other pro-Western monarchies looked to Hamas as a potential ally. It was only after its transformation into a powerful and popular force that these countries modified their position and began distancing themselves from it. The 11 September attacks underscored the negative consequences of Arab states patronizing militant groups. Under these circumstances, its participation in the Cairo dialogue not only enabled Hamas to present a somewhat moderate image but also to restore its erstwhile financial links with its Arab benefactors, vital for the continuation of its social welfare activities in the occupied territories.

For Hamas, the Cairo talks established its regional recognition and acceptance. Having been removed from Jordan following the coming into power of King Abdallah, Hamas, especially its political leadership based outside the occupied territories, was keen to regain the initiative and importance. Its participation in the talks was preceded by extensive consultations with Egypt, whose support for Arafat and the Oslo process are well-known. The suicide bombings, which catapulted Hamas into prominence, also carried the danger of making the organization

¹⁸ "Cairo, and the Resumption of Palestinian Dialogue", editorial, *Al-Quds al-Arabi*

¹⁹ Yassin's interview to *Al-Nahar*, 28 November 2003. Emphasis added

²⁰ *Jerusalem Post*, 18 September 2003.

²¹ *Jerusalem Post*, 1 December 2003. See also, Shahar (2003)

²² *Dealing with Hamas, International Crisis Group Middle East Report no. 21* (Brussels: International Crisis Group, 2004), p. 1. This however, has been subsequently contested. Sharon Sadeh, "Hamas political wing left off EU terror list", *Ha'aretz*, 9 March 2004. Until early 2004 the EU was yet to enact the legislation banning Hamas. Conversation with a senior German official in Berlin, 3 May 2004.

unpopular amidst international criticism and consequently sympathy for Israel. Driven by international disapproval, a number of leading Palestinians have questioned the wisdom of the Hamas strategy and publicly denounced suicide bombings.²³ Abu-Mazen (2003), a vocal opponent of the *al-Aqsa intifada* publicly called for demilitarizing the uprising.

The terrorist attacks of 11 September 2001 in the United States significantly brought the wider international community closer to the Israeli perception that Hamas was an enemy of peace. Such a negative international attitude resulted in prominent Islamic countries like Malaysia portraying suicide bombings as terrorism. Inaugurating the meeting of the Foreign Ministers of the Organization of Islamic Countries (OIC) in April 2002, Malaysian Prime Minister Mahathir Mohammad was blunt: "... groups or governments, which support attacks on civilians, *must be regarded as terrorists*, irrespective of the justification of the operations carried out, irrespective of the nobility of the struggle."²⁴ Even though the countries of the "Middle East" prevented this from being the formal position of the OIC, the message was loud and clear in the post-11 September world, suicide bombings lost their appeal even in the Islamic world.

In any case, the talks signalled the growing influence of Hamas *vis-à-vis* the Palestinian Authority. In the first round, it held bilateral talks with Fatah but in the second round Abu-Mazen was one of the dozen Palestinian leaders who attended the Cairo talks. Even though the talks were characterized by a verbal confrontation between him and Masha'al, the Hamas managed to reduce the pre-eminent position of the PLO, and by implication the position of the Palestinian Authority, by enlarging the list of participants.

Egypt

Since the visit of Anwar Sadat to Jerusalem in November 1977, Egypt has presented itself as Israel's principal Arab interlocutor. The refusal of other Arab leaders to follow Sadat's example did not inhibit Egypt from pursuing its desire for such a role. During the heydays of the Oslo process, Egypt had periodically emerged as the venue for Israeli-Palestinian negotiations and has at times even helped iron out a number of differences between the two parties. (Its active assistance in the peace process has become one of the contributory factors for the continued

²³ Sari Nusseibeh portrayed characterized suicide bombings as "morally unacceptable and politically counterproductive." Nusseibeh's interview to *Der Spiegel* (Hamburg), 14 January 2002. Similarly, Bassam Abu-Sharif, a critic of Oslo warned that suicide attacks "provided Sharon with invaluable assistance, enabling him to persuade President Bush not to press for the implementation of the Mitchell recommendations and the establishment of the independent Palestinian state" (Abu-Sharif, 2002). See also, Nawfal (2002).

²⁴ For the text of Mahathir's speech see, <http://www.kln.gov.my/KLN/statemen.nsf/f992ee33adc68d4c82564900021ddd7f19b3cf7883838e3c8256b90003849dc?OpenDocument>. The final declaration of the meeting can be found at http://www.oic-oci.org/english/fm/11_extraordinary/declaration.htm

American financial aid.) It may well be the case that Egypt's importance in the post-Cold War "Middle East" rests primarily on its role as the facilitator of Arab-Israeli peace.

Hence, the violent Palestinian uprising forced Egypt to work for an Israeli-Palestinian engagement. Since such a political process was contingent upon a significant drop in Palestinian violence against Israel, Egypt was keen to secure truce among Palestinian factions. The involvement of Intelligence Chief Omar Suleiman in these efforts underscored the depth of Egyptian interest and involvement in securing an agreement between the two principal Palestinian groups.²⁵ Much of the Cairo dialogue revolved around the position paper prepared by Suleiman that required far-reaching concessions from Hamas.

The timing of the first round of talks in November 2002 clearly indicated that by seeking to reduce the level of violence Egypt was conveying a specific message to Israel concerning its regional importance. The widely expected re-election of Ariel Sharon in the 2003 Israeli election acted as an added catalyst for Egypt. Suleiman, according to Egyptian media, personally briefed Prime Minister Sharon about the Egyptian efforts towards a temporary suspension of Hamas suicide campaigns against Israel (Howeidy, 2003). The endorsement of the dialogue by the Israeli peace camp did not go unnoticed in Egypt.²⁶ The backing of the European countries only strengthened the Egyptian position. Without tacit American approval, President Mubarak could not have hosted Hamas, designated as a terrorist group by the US State Department.²⁷

Unbridgeable Gaps

Despite widespread publicity and expectations, the talks failed to yield any tangible results; indeed all the three rounds of talks ended without any agreement, while both sides merely promised to continue the process. There are many reasons to explain the deadlock.²⁸ The Egyptian efforts unrealistically assumed Israeli willingness to cooperate through confidence-building measures and assurances against military incursions and targeted killings. Besides, the attitude of Hamas was equally, if not more, unhelpful. The group's refusal to accept the Egyptian paper, according to Abu-Mazen, "prevented US from reaching an agreement".²⁹

²⁵ For an interesting thumb-sketch of Suleiman, see, No'am (2003).

²⁶ Abdelaty (2003). In the words of some commentators, "A halt on attacks would also encourage Israelis to elect Labour Party leadership when they go to the polls" (Luft and Schanzer, 2002). Masha'al, however, warned "If someone wants to calm down the situation for a period of time to help the Israeli Labour Party to win in the elections, this is a risky gambling" Yunter (2003).

²⁷ This is a delicate move for Egypt especially when former politburo chief and leader of the Hamas delegation to the November 2002 talks, Musa Abu-Marzouk, was accused by the US of financing commando operations against Israel.

²⁸ For interesting discussions, see, al-Masri (2003), al-Ahrami (2003).

²⁹ Interview of Abu-Mazen to *Al-Sharq al-Awsat*, 3 March 2003.

It may be noted in this context that the Cairo talks revolved around a position paper prepared by Egypt that contained a number of suggestions.³⁰ Three principal elements, namely temporary suspension of suicide attacks, recognition of the Palestinian Authority and territorial limits of a Palestinian state, required significant political concessions from Hamas and hence impeded any agreement between the two sides.

Truce

Much of the focus of the Cairo talks revolved around the key Egyptian proposal to suspend terror attacks against Israel. Against the background of continued Israeli occupation and incursions into Palestinian areas, the suspension of *intifada* was not an option. That would be suicidal for any Palestinian leader or group. The entire political, economic, diplomatic and strategic leverages in the Israeli-Palestinian equation are heavily loaded against the latter. Even a decade after the Oslo accords, periodic violence and terrorism remain the primary tools available to the Palestinians to demand Israeli adherence to its commitments. It is often overlooked that even a complete absence of Palestinian violence would not have ensured the conclusion of the final status negotiations and Israeli withdrawal from the occupied territories by early 1999 as stipulated by the Declaration of Principles signed on 13 September 1993. On the contrary, it was the ongoing violence, which ironically compelled a bulk of the Israeli public to endorse the idea of a Palestinian statehood.

At the same time, Egypt was aware of the negative consequences of violence for the Palestinians and sought to "modify" and not "end" the Palestinian resistance. In the words of Egyptian Foreign Minister Ahmed Maher: "There is a time for armed resistance and a time for unarmed resistance. Resisting occupation should not fall hostage to only one way" (Lufti, 2003). Given the controversial nature of the proposal, a few concessions were added. The truce was to be temporary, confined to the pre-1967 borders of Israel or the Green Line and linked to tangible Israeli concessions. The one-year Palestinian ceasefire would be conditional upon Israel refraining from its policy of targeted killings, periodic military incursions and violence against Palestinian civilians.

Despite the above referral concessions, the truce proposal was unacceptable to Hamas whose growth and popularity were primarily due to its deadly suicide campaign. Even though social welfare programmes constituted much of its activities, it was the small number of highly successful militant actions that contributed to its popularity among the Palestinian public and elsewhere. Hamas garnered support through daring militant attacks against occupation, which in the post-1993 phase included large number of suicide attacks inside Israel. Through such attacks at the heart of Israel, Hamas succeeded in frightening ordinary Israelis, heightened the sense of insecurity, disrupted their daily lifestyle, severely curtailed tourism and thereby dented Israel's overall prosperity and economic growth.

³⁰ Some reports suggest a twelve-point Egyptian proposal, see *Dawn*, 26 January 2003

Its militant campaign brought about a number of critical but inter-related benefits to Hamas. Every suicide attack made Israel and its population lose faith in the peace process and raised doubts over the wisdom of relying on Arafat as a peace partner. Because of domestic pressures, both Labour and Likud Governments were forced to act against the Palestinian Authority, often in the form of massive repression and retaliation. In the initial years of Oslo, Israel had responded by a delayed implementation of its commitments but gradually under Likud rule it began to discard the sanctity of the Palestinian Authority created under internationally recognized agreements. These trends in turn eroded Palestinian trust and confidence in the ability of their leadership to clinch a negotiated settlement with Israel. As a result, a growing number of Palestinians became sympathetic to Hamas and began approving its opposition to the entire Oslo process.

In other words, suicide attacks, which ensured Israeli military response against the Palestinian Authority and contributed to its systematic destruction, also exposed Arafat's inability to control violence. This in turn further weakened his chances of using military means to subdue groups which were opposed to his authority and the vision of a peaceful resolution of the Arab-Israeli conflict. As a result, ever since his election in January 1996, the popularity of Arafat has been dwindling while that of his opponents has been on the rise.³¹ The suicide bombings and other forms of militant actions have contributed to this changing fortune of Hamas. That secular groups such as Popular Front for the Liberation of Palestine (PFLP) and Fatah have joined the suicide campaigns against Israel merely underlines the popularity of the Hamas tactics.³²

Under these circumstances, Hamas was apprehensive that even a limited and conditional suspension of its militant attacks would not only erode the gains it had made during the past decade but would also blur the distinction between it and the mainstream Fatah. Hamas was critical of any negotiated settlement with Israel and the willingness of the PLO to abandon armed resistance in favour of negotiations was an anathema. Moreover, the ceasefire proposal also created certain tactical problems for Hamas. Unlike groups such as PFLP or Islamic Jihad, Hamas does not make any distinction between Israeli civilians and soldiers. The civilian population has remained its prime target and its suicide campaign is a classic example of the pursuit of terrorism whereby the civilian population is targeted. While other militant groups carry out attacks against Israeli soldiers as well as Jewish settlers in the occupied territories,³³ Hamas has focused its attention on civilians inside the June 1967 borders of Israel or the Green Line. Hamas finds it difficult to accept a temporary suspension of its attacks against civilians inside the Green Line. Such a posture, in its view, would imply its tacit recognition of

³¹ For details, see Shikaki (2002).

³² All the suicide attacks against Israel were carried out by one of the five Palestinian groups namely, Hamas, Islamic Jihad, the PFLP, Fatah and the Popular Resistance (a coalition of Fatah, Hamas and the Islamic Jihad) (Tal, 2002: 30).

³³ Almost all Palestinian groups, militants and non-militants consider Jewish settlers in the occupied territories as legitimate targets for violence.

the Jewish state within the pre-1967 borders. Any distinction between Israel and the occupied territories, it fears, would be a violation of its fundamental posture *vis-à-vis* Israel. For Hamas the problem lies not with Israelis or Zionists but with the *Jews*.

Palestinian Authority

The Egyptian proposal on the role and centrality of the Palestinian Authority in Palestinian affairs puts Hamas on the defensive. The proposal, *inter alia*, maintains that the Palestinian Authority

headed by Yasser Arafat, is the sole authority mandated to negotiate with Israel for the purpose of reaching an agreement. Only the Palestinian Authority has the responsibility to administer the Territories, including the exerting of all efforts to prevent military activities from the West Bank and Gaza and aimed against Israeli targets (quoted in Usher, 2003).

This should be obvious to any serious observer of "Middle East" politics. At the Rabat Summit conference of 1974, the Arab states (with Jordan dissenting) recognized the PLO as "the sole and legitimate representative" of the Palestinian people. The UN General Assembly later that year granted "observer" status to the PLO, thereby allowing it to participate in all UN deliberations concerning the Palestinian question. Indeed, the establishment of the Palestinian Authority was preceded by Israel's recognition of the PLO. Egypt's restatement of what was otherwise obvious was a reminder of the intense power struggle between Hamas and the PLO. From the early days, the Islamic resistance movement has functioned outside the PLO and rejected periodic requests from Arafat to join the umbrella organization. Besides the strong ideological underpinnings, the overwhelming power of Fatah inside the PLO negated the prospect of Hamas joining the organization. It was not prepared to be another Palestinian faction living under Fatah domination. As it grew in strength and confidence, Hamas demanded parity with Fatah in managing all Palestinian national institutions, something Arafat was unprepared to concede without undermining and even surrendering his own power and authority.

Hamas considers the mandatory Palestine to be an Islamic *waqf* property that should perpetually stay with the Muslims and any attempt to cede even parts of that land would be a violation of Islamic tenets. Because the Palestinian Authority was based on accepting the partition of historic Palestine, Hamas finds it ideologically impossible to recognize its ultimate authority. At the same time, however, tactical considerations and its desire to continue self-defeating intra-Palestinian rivalry forced the group to seek minimum necessary accommodation with the Palestinian Authority. Nevertheless, Hamas sees the formal recognition of the Authority with the powers to negotiate with Israel over the final status of the occupied territories as a fundamental threat to its existence and survival. Of late, its leaders have been giving sufficient indications that the group was willing "to shoulder" a leadership role. Without explicitly calling for the replacement of the

PLO with a new apex body, which would "recognize" the relative importance of Hamas, its leaders have been demanding internal reforms (el-Masri, 2003). In the words of one Hamas functionary, the Islamists "proposed at Cairo a comprehensive reform process within the PLO's departments, institutions, modus operandi, and decision-making so that all groups could join a broad, effective framework cherishing the principle of liberating the land of Palestine and resisting the Zionist occupation".³⁴ Similarly, Masha'al was circumspect about Hamas joining the PLO and argued:

We don't have reservations per se, but rather a different version. We need a point of reference for the Palestinian decision-making. Decision-making has to include all the factions and express a real Palestinian decision-making. And we are keen to be part of this Palestinian decision-making.... We are insistent... about our right to be part of the frame of reference of Palestinian political decision-making.³⁵

Hamas considers the PLO as just another Palestinian group and argues that it was "impermissible for any one party to monopolize the Palestinian political decision".³⁶ Such views are also shared by non-Islamic opponents of Arafat. For example, Nayif Hawatimah, the leader of the Democratic Front for the Liberation of Palestine and a strong critic of Oslo dismissed the Palestinian Authority as the representative of "only one wing of the Palestinian movement" and hence its "unilateral decisions" do not reflect Palestinian consensus.³⁷ A confidential Palestinian security document accused Hamas of aspiring to replace Fatah as the dominant force in the Palestinian Authority. In its assessment, the organization regards itself as "a replacement of the PA, through peaceful means..." and hence its participation in the Cairo talks (quoted in Regular, 2003a).

Territorial Limits of the Future Palestinian State

The Cairo proposal of a Palestinian state within areas occupied by Israel during the June 1967 war affirmed this position. This once again was in tune with the past decisions of the PLO, which recognized this principle at the November 1988 Algiers meeting of the Palestine National Council (PNC). Recognizing the partition Resolution of 1947, the PNC accepted the two-state solution and expressed its willingness to co-exist with the Jewish state. This major climb-down enabled the Reagan Administration to review its contention that PLO was a terrorist organization and also open the door for a negotiated settlement. The effort took a significant turn with the signing of the Declaration of Principles (DOP) in September 1993, preceded by mutual recognition of Israel and the PLO. In December 2002,

³⁴ *Al-Sharq al-Awsat*, 23 February 2003

³⁵ *Al-Ahram Weekly*, 6–12 February 2003

³⁶ Masha'al's interview to *Al-Sharq al-Awsat*, 31 January 2003

³⁷ Nayif Hawatimah's interview to *Al-Watan al-Arabi* (Paris), 10 January 2003.

at the height of the Israeli military presence in areas under nominal Palestinian Authority control, its Interior Minister Hanī al-Hasan was categorical about the Palestinian objective: "An independent, sovereign Palestinian state devoid of settlements with borders of 4 June [1967] whose capital is Jerusalem and a Resolution to the problem of the refugees"¹⁸

Hamas is opposed to any form of co-existence with Israel and it is for this reason that it denounced both the Algiers declaration as well as Oslo accords. It was totally opposed to the existence of Israel and therefore for it the question regarding the size or territorial jurisdiction of the Jewish state did not arise. In fact, this tough stand of Hamas on Israel's right to exist as a State led to a deadlock in the Cairo talks. Explaining the reasons for the failure of the Cairo talks, Hamas leader Mohammad Nazeel was candid. The talks failed because "an effort was made to compel Hamas to recognize the Zionist entity within the 1967 borders" (Regular, 2003b). Masha'al was more categorical: "We do not distinguish between Palestine of 1948 and Palestine of 1967. Palestine is everything ..there is no difference between 1948 and 1967" (quoted in Bar'el, 2003).

A number of regional considerations, however, compel Hamas to modify its position and accept a temporary suspension of militant activities against Israel. Even though the Israeli refusal to agree to a reciprocal undertaking was an impediment, the changing political fortunes of Hamas compelled the militant group to enter into a substantial political dialogue with the Palestinian Authority.

Conclusion

Thus, the Cairo dialogue among various Palestinian groups aimed at offering a limited and conditional ceasefire *vis-à-vis* Israel was taking place without the participation of the principal beneficiary. Not only was Israel not involved in the talks, it was also vehemently opposed to any restrictions on its freedom to act against suspected militants. Nor was it willing to restrict its assassination campaign.

This anomalous situation, however, does not explain the absence of any progress. The principal players, Fatah and Hamas, have entered the process with deep misgivings about each other's motives. Each side aspired to secure substantial concessions from the other but such a move would have been tantamount to abandoning its existing position, power and status among the Palestinians. As both sides view the entire exercise in zero-sum-terms, even marginal concessions of one side would have been a substantial loss of face. The differences between the two sides are significant and even unbridgeable.

Despite the lack of progress, political pressure from the outside world and the drying up of financial support compelled all the parties to continue to pursue the dialogue. Even though no substantial progress was made, the motions of the Cairo dialogue and negotiations served the interests of the Palestinian Authority and its opponents as well as Egypt. Real progress towards a limited *hudna*, however,

¹⁸ Hanī al-Hasan's interview to *Al-Sharq al-Awsat*, 4 December 2002.

would depend upon the extent of external pressures brought to bear upon all these parties as well as Israel. While Israel's reluctance to "engage" in dialogue and create favourable conditions and its policy of targeted killings no doubt impedes Egyptian initiatives, the fundamental disagreements between the Palestinian Authority and Hamas greatly undermine the cause of peace and reconciliation among various Palestinian factions.

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Indigenous Rights and the Quest for Participatory Democracy in Latin America

Priti Singh

Democratic transition in the 1980s and 1990s ushered in Latin America's basic constitutional reforms aimed at addressing the issues of indigenous peoples' identity and their rights. Although the changes reflect the democratic aspirations and the consolidation of new rights to the hitherto excluded segments of society, they also seem to be a response to a variety of other pressures (both political and economic) currently felt throughout the region. Political and economic changes witnessed in the democratization process suggest the reconfiguration of the state in Latin America. It provides the context for the belated recognition of cultural pluralism and the ensuing balance between indigenous participation within the institutions of state on the one hand, and respect for the autonomy of indigenous institutions on the other. However, given that the constitutionally guaranteed collective rights are only instruments they cannot be substitutes for an inter-cultural dialogue. Therefore, the process of democratization needs to go beyond giving recognition to cultural and legal pluralism.

By all accounts, the 1980s can be regarded as the decade of democratic transition throughout Latin America. Several factors, both regional and international, contributed towards the beginning of a process of democratization. When the *estado nacional desarrollista* (national developmentalist state) model piloted internally by the corporatist military authoritarian regimes of the preceding three decades failed to deliver the desired results, it undermined the legitimacy of the ruling military elite. Latin American military, rulers and economic elite held the view that all unproductive areas should be "developed" and integrated into the national economy.¹ The development activities proved to be extremely destructive

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¹ For instance, the Brazilian military government in the early 1970s took up a national integration plan (*Plano de Integração Nacional*), a programme for developing the Amazon region. This involved construction of roads to open the area for economic activities, resettlement of thousands of landless peasants from north-east Brazil in this area and vast strips of land being declared legally as federal

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and underlined the critical need for an alternative development model. Around the same time, the sudden collapse of the bipolar international order together with the unleashing of forces of economic globalization made it imperative for the nascent Latin American civilian democratic regimes to engage in structural adjustment reforms and in enlarged political participation of the heretofore neglected social segments to meet the unfolding challenges.

In this milieu of democracy in Latin America, how do the indigenous peoples fare and where do they fit in? This article makes an attempt to address this question. It is divided into three sections. The first discusses the role of indigenous movements in Latin America during these decades and their objectives and attendant strategies; the second section describes the constitutional amendments undertaken by various Latin American countries incorporating the rights of the indigenous peoples; and the third section attempts a critical examination of the apparent contradictions between the objectives of the constitutional provisions and implementation mechanisms.

Ethnic Indigenous Struggles: Objectives and Strategies

Although the indigenous peoples' struggle can be traced back to colonial times, it was only during the 1980s and 1990s that momentous changes took place in the Latin American region and the resurgent indigenous peoples' movements attained considerable salience. Since then they have gained national and regional prominence in the larger context of the simultaneous transitions towards neo-liberal economic policies on the one hand, and towards civilian rule based on participatory democracy, on the other.² For, the simultaneity of these processes not only encouraged region-wide mobilization of the indigenous peoples but also offered political opportunity structures to further their cause.

government property. A scheme of fiscal incentives was provided by the government to promote private investment in the Amazon. As a result of these government overtures, the stability of the Amazonian forest ecosystem was disturbed along with negative repercussions for its ecological diversity and its indigenous peoples. See Pallemmaerts (1988).

² In recent years, many of adjectives like "popular", "guided", "bourgeois" and "formal" that used to signify democracy have been abandoned. They have been substituted by the adjective "participatory" because of a remarkable consensus that has emerged concerning the "minimal conditions" that political systems must meet in order to merit the appellation "democratic". There is general agreement among scholars that democracy is an institutional arrangement for arriving at political decisions in which individuals acquire the power to make decisions by means of a competitive struggle. However, since citizens are the most distinctive element in democracy there should be no constraints placed on their participation. While it is widely accepted that competition among factions of citizens exist, rules governing factional competition should be such that they offer a variety of channels for expression of interests and values—associational as well as partisan, functional as well as territorial, collective as well as individual. All should be integral to the practice of modern democracy. In other words, it should be legally and in practice possible for all citizens to play an active and equal participatory role in the political processes. Thus stated, participatory democracy equips the citizens with the tools to enable them to fully control their social and political destiny. At its best, it ensures that citizens have the final say when they choose to assert themselves.

In turn, response to indigenous movements and their cause underwent important changes all over Latin America especially at the level of national policy debates and theoretical/academic discourse, going beyond the traditional narrow confines of reform measures that ensured a modicum of respect for indigenous peoples' culture. A distinct intensification of the popular movement with massive participation of indigenous ethnic groups was first witnessed in Guatemala. Following the genocidal action perpetrated by the Guatemalan ruling elite in 1982, the revolutionary political-military organizations such as the Guerrilla Army of the Poor (*Ejército Guerrillero de los Pobres*: EGP), Rebel Armed Forces (*Fuerzas Armadas Rebeldes*: FAR) and the Organization of the People up-in-Arms (*Organización del Pueblo en Armas*: ORPA) all united under the Guatemalan National Revolutionary Unity (*Unidad Revolucionaria Nacional Guatemalteca*: URNG). Under this banner, they began championing the cause of the native Indians and contributed to the resurgence of the indigenous identity through the revival of indigenous *Maya* religious and cultural practices. Around the same time in adjacent Nicaragua, the triumph of the *Sandinista* revolutionary movement created new links between the *mestizo* populations of the Pacific coastal provinces and the indigenous (*Miskito*) ethnic communities of the Atlantic coastal region. Encouraged by the revolutionary ideology of the *Sandinistas*, the *Miskito* ethnic movement sought to deepen and lend legitimacy to the revolution through the demand for autonomy.

During the same period, in the Andean region, several organized indigenous groups linked to political-military movements were attempting to implement projects of national transformation. In Colombia, for instance, three organizations—Indigenous Regional Council of Cauca (*Consejo Regional Indígena del Cauca*: CRIC), National Indigenous Organization of Colombia (*Organización Nacional Indígena de Colombia*: ONIC) and Quintin Lame Commando (*Comando Quintín Lame*: CQL)—formed by insurgent Indians as part of the Simon Bolivar Organization coordinated guerrilla warfare in rural regions. Indigenous struggles made their national appearance in Colombia in the 1970s and succeeded to a certain extent in constituting a social movement.³ In neighbouring Ecuador, the Confederation of Indigenous Nationalities of Ecuador (*Confederación de Nacionalidades Indígenas del Ecuador*: CONAIE) had expanded to the national level and developed its own regional and national structures. In June 1990, it launched the so-called "First Uprising of the Indigenous Peoples" to protest the government's policy and set forth their demands. The indigenous mobilization stunned the country provoking alarm and apprehension. Not only did CONAIE unite indigenous peoples across regions and classes, it called for a constitutional assembly that would validate indigenous rights and restructure the Ecuadorian state. At the end of the constitutional assembly in May 1998, the new constitution included indigenous rights and citizen rights.⁴

³ For details on the articulation of political and social struggles in Colombia, see Findji (1992).

⁴ Andolina (2003). According to him, the constituent assembly of 1997–98 was possible because of the pressure of the social movement which played an important role in the fall of President Abdalá Bucaram in February 1997. For more on the cultural and political social movement in Latin America, see Alvarez et al. (1998).

In Peru, there were the myriad communities of indigenous peasants linked in one way or the other to the Peruvian leftist parties including importantly the Shining Path (*Sendero Luminoso*: SL) and the Tupac Amaru Revolutionary Movement (*Movimiento Revolucionario Tupac Amaru*: MRTA). In Bolivia, consolidation of the indigenous peoples' social movement organizations combined with the intense unpopularity of the Banzer Quiroga Government enabled the indigenous-movement-based political parties to get 27 per cent of the votes in the 2002 national elections.⁵ In Chile, however, the indigenous communities reached a compromise with the national government seeking a review of legislation concerning their territories and self-government (Polanco, 1997: 84–86). Like in Chile, in the *cono sur* (south cone) countries like Brazil and Paraguay, pressure generated by the indigenous groups along with non-indigenous groups such as the Church forced the respective national constituent conventions to consider and recommend appropriate legal measures to be incorporated in the draft constitutions to be adopted in both countries.

In Mexico, disgusted with red tape, unanswered petitions, arbitrary acts by landowners and, above all, widespread corrupt practices of government officials, the indigenous communities began resorting to direct confrontation. Disillusioned with the failure of the ruling Institutional Revolutionary Party (*Partido Revolucionario Institucional*: PRI) to resolve land problems, the indigenous peoples set up organizations in many parts of the country to advance their cause politically.⁶ By 1994, the Chiapas uprising had convulsed Mexico. Thousands of impoverished indigenous peoples, principally composed of *Tzotzil*, *Tzeltel* and *Tajobal* communities laid siege to nine major townships of Chiapas. Shortly thereafter, they proclaimed their uprising in the name of the Zapatista National Liberation Army (*Ejército Zapatista de Liberación Nacional*: EZLN).⁷ Active indigenous groups established open political alliances with regional or national organizations within the context of civic struggles for democracy and restoration of their ethnic identity, land and natural resources. Sometimes these alliances took the form of electoral pacts and other political agreements at the regional and municipal levels.

Although the modes of participation in the national political arenas—such as the armed guerrilla struggle in Central America and the Andean region or legal and political initiatives in the *cono sur* countries—varied, they shared a gradual alignment of indigenous movements with socio-political forces of the respective countries in the region, a heightened consciousness of global processes and the broadening of their socio-cultural and economic objectives. This underlined an

⁵ For details, see van Cott (2003).

⁶ Important among these indigenous organizations are *Coordinador Nacional Plan de Ayala* (CNPA), *Movimiento de Unificación y Lucha Triqui* (MULT), *Coalición Obrera Campesina Estudiantil del Istmo* (COCEI), *Organización Campesina Emiliano Zapata* (CEZ), and *Central Independiente de Obreros Agrícolas y Campesinos* (CIOAC). For a detailed description of each of these organizations, see Amnesty International (1986).

⁷ This name was given in honour of the memory of their revolutionary hero from Morelos, Emiliano Zapata whose political philosophy is encapsulated in the motto "*Tierra y Libertad*" (Land and Liberty).

important change because it put an end to the hitherto followed policy of isolating the indigenous peoples from major national formations. Till then the state had reserved for itself the role of a legitimate interlocutor *vis-à-vis* indigenous ethnic groups, and the government had maintained themselves as the exclusive and necessary guarantors of their identity and welfare. At the same time, the heightened consciousness and mobilization led the indigenous peoples to realize the advantages of having a direct relationship, without the mediation of the governments or their designated agencies, with other groups with which they shared common objectives. In no way, however, did this change of strategy dilute the indigenous peoples' demands like territory, self-government and autonomy.

The significance of the transformations occurring in the public sphere needs to be viewed in perspective. In many of the countries in the region where only a handful of organizations existed in the past to pursue their interests, today a host of such organizations have come up. What is even more significant is that the general trajectory of the new indigenous movements in the region reveals a coalescence of small movements into larger alliances both at national and sub-regional levels. Alongside, international concerns about protecting the global ecological system and human rights have drawn the attention of transnational advocacy groups. Consequently, the previously marginalized and excluded Latin American indigenous peoples are now actively engaged in establishing links with transnational civil society in an effort to bypass state mediation. They are doing so by situating themselves in global civil society while maintaining strong ethnic, cultural and local loyalties. The indigenous peoples thus have emerged as a new social and political actor in the region or, as some would call, the *nova sujeto histórico* (new historical subject) (Singh, 2000).

This, in turn, has led to many new contradictions between them and the state. To some extent these contradictions can be ascribed to the constitutionally guaranteed, wide-ranging reform provisions regarding the rights and status of the indigenous peoples in the region. Notably these reform measures target not only indigenous cultures, but also in some instances indigenous communities and their territories as specific forms of social/civic organizations. According to some observers, the constitutional initiatives to enforce these reform measures are the *direct* outcome of the ongoing democratization process in the region. There are others who argue that these measures are in a sense the consummation of the long struggle of the indigenous peoples rather than a mere outcome of the democratization process.

A Critique of the Recent Constitutional Reforms

As has been stated earlier, as part of the democratic transition some countries in the region adopted new constitutions—Guatemala (1985), Nicaragua (1987), Brazil (1998), Colombia (1991), Peru (1993) and Chile (1989 with 1997 reform). Others brought amendments to the existing constitutions including Mexico (1992), Paraguay (1992), Panama (1994), Bolivia (1994), Argentina (1994) and Ecuador

(1983 and 1998). Invariably, all of them contained provisions relating to the indigenous communities either in respect of their identity and/or in respect of their political, social, cultural and economic rights. By all means, this was unprecedented because at no time ever in the history of the region had a spate of such constitutional reform measures been promulgated.

In some instances, such as in Argentina's amended constitution, discrimination of any kind against the indigenous communities was eliminated altogether. The amended provisions in the constitutions of Panama, Ecuador, Mexico, Paraguay and Bolivia not only recognized the cultural identities of the indigenous communities on the basis of their language, customs and religious practices but some even provided for education and training in their respective languages and dialects. Some of these countries proclaimed for the first time in their constitutions that the language and culture of the indigenous peoples formed part of the national culture and that the state was therefore obliged to not only protect but also project it through suitable legislative measures.

In respect of the cultural identity, the (*El Acuerdo de Identidad y Derechos de los Pueblos Indígenas*) Agreement on the Identity and Rights of Indigenous Peoples decree in Guatemala can be treated as a precursor to the subsequent developments that took place in other Latin American countries. Decreed in the mid-1980s, *El Acuerdo* contained innovative measures to guarantee the cultural identity of the *indígenas*. For, not only did *El Acuerdo* endorse the cultural diversity and the unity of the nation in its preamble, additionally it made provisions for the protection of indigenous women, creation of indigenous units within the General Attorney's Office and the Supreme Court and a budgetary provision for the protection and promotion of indigenous culture.⁸ Similarly, the Panamanian constitutional amendments dating back to the early 1980s also contained very original reform measures, which seem to have guided and subsequently influenced constituent assemblies of other countries like Nicaragua, Brazil and Colombia. With its sizeable *Kuna* people of Indian descent for whom their lands symbolized their cultural identity, the 1983 Panamanian constitutional amendments recognized their lands as *Kuna* territory for the first time.⁹ There were also built-in provisions for the autonomous

⁸ See http://www.imadr.org/project/guatemala/Stavenhagen_PressRelease.html.

⁹ Articles 86 and 123 of the 1983 constitution clearly provide for indigenous territories. According to Article 86 "The State recognizes and respects the ethnic identity of national indigenous communities. It will carry out programmes to develop material, social and spiritual values for each of the distinct cultures and will create an institution for the study, conservation and disclosure of their cultures and languages and for the integral advancement of the said human groups." Besides, Article 123 states "The State guarantees the indigenous community that it will reserve the necessary lands and their collective property to achieve economic and social well-being. The law will regulate the proceedings that should follow to achieve this goal and the corresponding delimitations within which the private appropriation of lands is forbidden." Additionally, three contiguous laws exist, which recognize indigenous territories. Law 16 of 1953 is the first contiguous law that creates the District of San Blas (*Kuna Yala*). It is considered an advance in the subject of indigenous rights because the state recognizes the existence of the General *Kuna* Congress (Article 13) and does not permit the adjudication of lands situated within indigenous reserves to people who are not part of the community "unless a solicitation for adjudication is approved by two different *Kuna* Congresses" (Article 21).

management of the resources of the *Kuna* peoples under the aegis of the government specifically spelt out in Article 23.¹⁰

The new Nicaraguan constitution of 1987 went further. It proclaimed *Miskito* peoples of the Atlantic coastal region as a community and provided for constitutional guarantees to collective rights over their land in respect of sub-soil and surface resources. It also designated the lands occupied by the indigenous communities of the Atlantic coast (*Costa Atlántico*) as communal lands (*tierras comunales*) and granted them rights to hold elections and elect their own representatives (Freeland, 1989)

Apparently inspired by these unprecedented innovative measures of the Central American countries in the 1980s, Brazil and Colombia incorporated many of these features with considerable improvements in their new constitutions. While acknowledging the rights of the indigenous peoples to their social organizations, customs and traditions, the 1988 Brazilian constitution declared their right to the lands they traditionally occupied as "original", thereby predating their existence to the establishment of the Brazilian nation-state. By recognizing their lands as being "traditionally occupied", the constitution at least implicitly endorsed the cultural diversity of the territory.¹¹ Also, by the same token, it established that any physical eviction of the indigenous communities from their territory for whatever considerations could not be arbitrarily effected, as was the practice in the past.¹² The second innovation is that the indigenous peoples can secure protection of their rights as enumerated in the constitution¹³ without state agencies serving as the interlocutor/mediator. These and related directive principles enjoining the educational, cultural and social rights of the indigenous communities have admittedly broken new ground in respect of their primordial land rights and cultural identity.¹⁴ General provisions in the constitution provide for equal treatment of the indigenous

¹⁰ While Article 23 of the Panamanian constitution aims to establish a policy of control and management of resources by the government, thereby protecting resource rich indigenous lands, this article clearly determines that the *Kuna* peoples do not have the right to benefit from the profit of exploration and/or exploitation of mining on their own territory. Because of this, the General *Kuna* Congress has presented the Fundamental Law of the *Kuna Yala* District to the Legislative Assembly, to reform Law 16 and advance the protection and promotion of the rights of self-determination and autonomy on natural resources. They want the entire project or activity in relation to natural resources and their biodiversity to include an environmental impact study in which the General *Kuna* Congress participates. What is requested is their participation in decision making when it may affect them or their natural resources.

Although Law 22 of 1983, which created the *Embera* District of *Darien*, recognizing the traditional institution of the *Embera-Wounnan* People, grants them benefits, it can be determined that in the exploration phase, their own participation does not exist. They can only present their requests to the authorities in the contract negotiation stage of exploitation. See <http://www.undp.org/kyopp/CSO/NewsFiles/vpdocunostpart.html>.

¹¹ Article 231, para 1 of the constitution of the Federative Republic of Brazil 1988

¹² Article 231, para 5 of the constitution of the Federative Republic of Brazil 1988

¹³ Article 232 of the constitution of the Federative Republic of Brazil 1988

¹⁴ Article 210, para 2 and Article 215, para 1 of the constitution of the Federative Republic of Brazil 1988

peoples.¹⁵ Apart from these, there is a full chapter (VI) on environment, which advocates an ecologically balanced environment and protection of "natural ecosystems".

The achievements of the indigenous peoples, in respect of their identity as well as community rights are most noticeable in the provisions of the new constitution in Colombia that was promulgated in 1991. Important among these provisions is the one that relates to the establishment of Indigenous Territorial Entities (ETI). ETIs are identified as part of the organization of the state and are entitled to "autonomy in the negotiation of interests".¹⁶ The creation of these entities is subject to the approval of the Organic Law of Territorial Order.¹⁷ The constitution further acknowledges indigenous territories in terms of *resguardos*, an institution that goes back to Hispanic colonial times when indigenous territories were treated as non-transferable collective property, and reiterates that their administration is to be carried out by indigenous councils (*consejos*).¹⁸ What is envisioned is that the ETIs have the right to be administered by their "authority", exercise the corresponding competencies; administer resources and establish a tax regime; and, above all, they are entitled to a share in the national income. The constitution states that authorities of the indigenous peoples can exercise jurisdictional functions within their "territorial ambit" and in conformity with their own norms and procedures.¹⁹ Also the ETIs will govern on the basis of the *usos y costumbres* (habits and customs or what may be called customary law) of the respective communities. At the federal legislature, two elected senators from among the indigenous communities will function as representatives of the ETIs.²⁰ The state recognizes and protects the ethnic and cultural diversity of the nation and accords official status to the languages and dialects of ethnic groups in their territories.²¹ The constitution also recognizes the right of the indigenous peoples to education and to develop their own culture.²² Other rights include the right to freely profess religion, freedom of worship and to organize and develop a cultural identity.²³ There are also general provisions in the constitution, which have a bearing on the rights of the indigenous peoples. For instance, a referendum can be used to veto a legislation already adopted or to approve long pending bills; a bill of rights has been adopted in the new

¹⁵ Article 3, para 4, Article 5, and Article 18, para 3 of the constitution of the Federative Republic of Brazil 1988

¹⁶ Article 287 of the Colombian constitution of 1991

¹⁷ Article 329 under Title XI of the Colombian constitution of 1991

¹⁸ The constitution defines *resguardos* as "collective property" and "not transferable" and its administration is carried out by indigenous councils or *consejos*, the powers and functions of which are detailed in Article 330

¹⁹ Article 246 of the Colombian constitution of 1991

²⁰ Article 176 of the Colombian constitution. Five representatives may be elected in the *Cámara de Diputados* (Chamber of Deputies) and two in the senate (Upper House). Also see <http://www.hartford-hwp.com/archives/41/043.html>

²¹ Article 7 of the Colombian constitution of 1991

²² Article 68 of the Colombian constitution of 1991

²³ Article 19 of Title II of the Colombian constitution of 1991

constitution with civic, political, social, economic, cultural and collective rights with an emphasis on ecological issues, and a constitutional court, a *defensor del pueblo* or ombudsman has been created as a final court of appeal over the Supreme Court. Above all, the constitution has provided for juridical bases for a regime of regional autonomy, including *territory*, self-government and competencies of the *authority*.

In many respects, the Colombian constitutional provisions are path breaking. Even though there are parallels between Colombia and Brazil in so far as both recognize indigenous rights as "original" in respect of their lands, the Brazilian model is somewhat restrictive because, as some argue, it denies the more basic right to *territory*. For, mere land rights devoid of the right to *territory* might impede the indigenous communities' cultural salience. What is more, given that nowhere in the Brazilian constitution is there a definition of the juridical nature of the community, the issue of indigenous autonomy remains largely unresolved in the country.

In Mexico, the constitution of 1917 granted communal lands collective *ejidos* to rural communities but it did not mention "indigenous peoples".²⁴ Social rights were mentioned without recognizing indigenous peoples as an ethnic group.²⁵ While defining the geographical boundaries of twenty-nine states and two federal territories, the constitution made no reference to the territory occupied by indigenous communities and they were thus given no political representation in the federal legislatures and almost none in the provincial legislatures.²⁶ The reform process initiated in 1989 by way of amendments to the 1917 constitution (Article 4) marked a departure in so far as it sought to accord constitutional recognition to the country's multi-ethnic character and identify the indigenous peoples in this pluralism. While it was a welcome development, serious misgivings were expressed about the amendments, as they merely underlined the cultural rights to the exclusion of the economic, political and social rights of the indigenous ethnic communities.²⁷ Moreover, terms like "cultures", "practices and customs" and "specific social organizational forms" of indigenous groups that it talked about were too imprecise to prevent violation of indigenous rights. These reforms did not include any specific rights and therefore were ineffective (Polanco, 1997: 131). It did not meet with the historical aspirations for "autonomy" of the indigenous peoples and was considered a cosmetic change.

These misgivings were not unwarranted because in less than two years after the amendment to Article 4, an amendment to Article 27 was effected which legalized privatization of time-honoured communal lands. Instead of easing the problems, the amendment to Article 27 did just the opposite. Not all peasants (*campesinos*) who had rights to land received them. Although *ejidos* were

²⁴ Article 27 of the 1917 Mexican constitution

²⁵ Article 123 of the Mexican constitution of 1917

²⁶ Article 43 of the Mexican constitution of 1917

²⁷ *Frente Independiente de Pueblos Indios (FIPI), Reforma Constitucional Un Nuevo Cambio de Piel del Indigenismo* (Mexico City, March 1990)

communal lands they were appropriated by individual *ejidatarios*. The Board of Directors who controlled *ejidos* allocated them to individual owners. This in turn led to the process of agrarian reform (*Reforma agraria*) for granting land to indigenous communities. This process was protracted and bureaucratic, at times taking fifteen years so that when the community received the land, its massive demographic changes created problems between the older and younger *ejidatarios*. In the backdrop of these developments, Mexico has since been convulsed by a series of rural violence and political upheavals following the uprising in Chiapas. The Mexican Government's response with what is called the Indigenous Rights Initiatives (IRI) is yet to be constitutionally validated.²⁴ In the meantime, different initiatives have been put into practice that would ensure some modicum of indigenous identity and rights. But the crucial question is whether the new legal provision as envisaged in the IRI allows for effective recognition of autonomy for the indigenous communities of Mexico.

Indigenous Identity and Latin American Discourse on Democracy

Mention has been made earlier that the indigenous peoples' movements in Latin America gathered a new momentum in the context of the democratization process that the region witnessed in the 1980s. It has also been stated that the democratization process coincided with the process of restructuring of the region's economies. In such a context, the presentation of customary practices and traditions as the core of an intrinsic indigenous identity in terms of values and institutions, as has been underlined in the constitutional reforms of most countries of the region, is admittedly a political recourse and part of a culture of resistance. The challenge for Latin American democracy and its present discourse then is not only to find

²⁴ President Zedillo in 1992 initiated a set of reforms known as the Indigenous Rights Initiative. The salient features of the proposed Indigenous Rights Initiative, he said were

- 1 Recognition of the autonomy and free determination of indigenous peoples
- 2 Protection of the cultural identity of indigenous peoples by providing that the education offered by the state be bilingual and respectful of their traditions, usage, customs and languages
- 3 Regulation of the acquisition, operation and administration of communications media by indigenous peoples to facilitate transmission of their culture, language and knowledge
- 4 Establishment of the administration of justice in internal conflicts according to their normative systems and determination that their verdicts should be co-validated through simple procedures established in the laws
- 5 Assistance to indigenous peoples in court by interpreters and public defenders with a knowledge of their language and culture
- 6 Ratification of the participation and representation of indigenous peoples in the municipal decision making bodies according to their traditions, usage and customs.
- 7 Protection of the association of indigenous communities to promote their development
- 8 Redefining municipal boundaries taking into consideration the geographic distribution of peoples and communities.
- 9 Recognition of collective access of indigenous peoples to the use and exploitation of natural resources, while respecting the provisos of Article 27 of the constitution.

ways and means to operationalize the political recourse but also to evolve adequate functional mechanisms to absorb effectively the current culture of resistance if only to enlarge the gains for democratic consolidation.

While the development of new forms of indigenous participation within the state and its institutions is one important aspect of the political recourse, respect for the autonomy of indigenous institutions is the other crucial component. It is the combination of these two features that poses the most serious challenge. For, it implies not only a thorough reform of present state structures but also a redefinition of the underlying concepts. There are three concrete issues here: (a) self-determination of an indigenous community's cultural identity; (b) demarcation and recognition of territory based on such identity; and (c) recognition of collective rights to the demarcated territory.

Self-determination of Indigenous Cultural Identity

Indigenous self-determination and, on that basis according autonomy to the community, no doubt is fraught with many problems. For instance, the recognition of the rights of the indigenous peoples as "original", as is recognized by the Brazilian constitution, is rooted in the notion of inherent rights accruing to peoples who were there before the advent of the present nation-state. Recognizing the inherent or historical rights of indigenous peoples, it is argued, runs counter to the arguments for the protection of those who are vulnerable in the development process. Again, there are those who while acknowledging that a community is the basis or the context for enjoying collective rights argue that its claims cannot merely be based on historic rights or cultural survival. Extending this proposition runs counter to the principles of universal individual human rights. This is because the principle of self-determination defined in terms of historic rights or cultural survival seeks internal functioning of legal and political *usos y costumbres* (habits and customs or what may be called customary law) along with strong administration without which the unviable culture would soon perish. What is more, recognition of distinct indigenous political and juridical structures and the free pursuit of economic, social and cultural development in accordance with their own norms and values calls for "internal self-determination" (Hockema and Assies, 2000: 245).

Because of these complexities operationalizing the self-determination of cultural identity among the indigenous communities calls for a regime of legal pluralism. A variety of techniques can be used to recognize systems of indigenous laws and customs and to promote the identification of their values. In other words, the framework of laws can be modified to accommodate aspects of indigenous laws and customs in the administration of justice. The national legal system might incorporate wholly or partially aspects of indigenous laws and customs.²⁹ As of

²⁹ This kind of an approach has been adopted in Africa in the case of the Native Code of Natal (originally compiled and issued in 1875-78 and 1891 and revised in 1932). For a detailed discussion on the inclusion of indigenous legal systems into the national legal space, see Mantziaris and Martin (2000).

now, there are several limitations that come in the way of recognizing such legal pluralism in the Latin American constitutions. In some countries constitutions recognize fundamental rights in accordance with international law such as the International Labour Organization (ILO) Convention 169. Other constitutions have adopted a narrower view so that indigenous jurisdiction does not go against the national "constitution and the laws". To that extent, it restricts the primordial cultural rights of the indigenous communities. In a recent verdict, the Colombian constitutional court interpreted the "constitution and the laws" as restrictions on indigenous jurisdiction and as such all constitutional and legal norms should apply to the indigenous peoples. If it did, it would, as the verdict pointed, reduce the cultural diversity and identity as enshrined in the constitution to mere rhetoric.³⁰

What it calls for, therefore, is the development of a jurisprudence that would pave the way for the co-existence of different legal systems to maximize the autonomy of indigenous jurisdiction and to be restrictive only in respect of some fundamental rights, that is, right to life and protection from slavery and from torture. Differences, if any, in respect of the "due process" of law should be sorted out through dialogue rather than legal means. In other words, what it entails is an open-ended inter-cultural dialogue and mutual accountability in the larger national pluralist framework.

Demarcation and Recognition of Territory

The idea of demarcating indigenous territory and according recognition and autonomy to it was partly inspired by the Autonomous Regions model envisaged in the Nicaraguan constitution. The Brazilian constitution recognizes as "original" the right to land (Article 231) in respect of the land occupied by the indigenous peoples as also the territory occupied in different cultural ways, but is ambiguous about the basic right to territory. In other words, any conflict arising in these lands between the indigenous peoples has to be resolved by the state which has jurisdiction over the area. As specified in the Brazilian constitution, indigenous territory was to have been demarcated within a five-year deadline from the date of promulgation of the constitution, but the demarcation process has yet to be completed.³¹ Article 246 of the Colombian constitution in contrast recognizes the authorities of the indigenous peoples who can exercise jurisdictional functions within their territorial ambit "in conformity with their own norms and procedures". As discussed in the previous section, the Colombian constitution also visualizes Indigenous Territorial Entities (ITEs) and defines the *resguardos* and the powers

³⁰ The Colombian constitution (Articles 246 and 330) grants the authority of self-government and exercise of jurisdictional functions within the territorial ambit of indigenous communities as long as it is not contrary to the constitution and the law. While the court establishes limitations on collective sanctions which may affect not only the individual but also relatives (that is, responsibility carries over to the kin group), it supports the constitutionality of the *cepo* (clamp) and whipping as they are considered part of accepted norms or customs. See Sánchez Botero (2000).

³¹ Temporary Article 67 of the constitution of Brazil, 1988

and functions of *consejos*.³² The Nicaraguan Autonomous Regions' model was further embellished in the Colombian model which recognizes *cabildos* or *consejos*, a status roughly equal to the municipality (*municipios*) or what some would like to identify as the *fourth level* of government. In Colombia, in the 1960s often two institutions of local power co-existed—the indigenous council, (or *cabildo de indigenas*) governed by a special law and the *municipio* which was the local link with the central government.³³ Both institutions exercised their jurisdiction over the same territory and population, namely the *resguardo* lands belonging to the indigenous peoples. This notion of territory has been incorporated in the discourse of indigenous movements in conjunction with the concept of autonomy. Notions of territory, governance and jurisdiction thus are being articulated as the basis of self-determination.

While at the conceptual level it is possible to see the *self-determination-autonomy-territory* linkages, it is not clear as to how and with what mechanism this can be concretely realized for the indigenous systems of social regulation often rely on differentiated kinship relations. The modes of governance, conflict resolution and access and use of resources in such societies rely on mechanisms fundamentally different from those of the modern state system. Anthropological evidence suggests that in the Amazon region land areas are still used by different communities for different purposes without giving rise to conflict. Known as "acephalous societies", some of these land areas are effectively "stateless societies" in the sense of not possessing any functionally differentiated and institutionalized government structure.

There is another dimension to the issue of demarcation of territory, which has to do with the different currents in the present discourse on environmentalism. While transnational environmental groups are wary that the arbitrary demarcation of indigenous lands within nation-states could negatively impact the ecological balance they actively support the indigenous peoples to press for territorial claims. This development could hopefully check the influence of multinational companies (MNCs) which are keen to exploit the resources of the countryside. In Brazil, for example, the process of demarcation and regularization of some of the *Yanomami* and *Kayapo* territories as against other indigenous regions was greatly speeded up largely at the behest of the MNCs or their lobbies. Other instances of the creation of indigenous territories and their empowerment by the state in collusion with transnational capital or the MNCs as "objects of outright plunder" have come to light in countries such as Bolivia and Nicaragua in recent years.

³² A *resguardo* is a portion of a territory that is recognized as the inalienable, permanent common property of an indigenous community. In economic terms, *resguardos* are lands segregated from the market. In socio-political terms they are managed by a small council according to legislation.

³³ The special law governing the indigenous council was Law 89 of 1890. Thus the *cabildos* backed the community's struggles for "territory" with the legitimacy to the right to land coming from two sources—from the elders traditionally claiming it from the inside and it being ratified from the outside by an external juridical source, Law 89 of 1890 which gave legitimacy to the *cabildo*.

Recognition of "Collective Rights" to Demarcated Territory

Recognition of collective rights raises a variety of issues. At stake here are territorial demands not merely in the sense of resources or even habitat but more comprehensively as the space where indigenous political, social, economic and legal structures can be developed. This also means that indigenous rights cannot be reduced to identity and cultural rights. As much as language or dress code, political, legal and economic arrangements are also integral parts of the indigenous cultural patrimonies and are essential to shaping a development process. Thus it is not simply a question of identity or cultural rights, but practice of collective rights and recognition of economic, political and legal pluralism. In other words, cultural pluralism without legal pluralism is meaningless. Defined thus, the present formal recognition of indigenous rights is often viewed more as integration into the national system than a basic revision of existing legal norms. But it need not be conceived in this way. The title to indigenous land or territory can then be understood as the product of a "recognition space" which emerges between two systems of law with the assumption that traditional laws and customs constitute a legal system. The recognition space may be conceived visually as the intersection of two circles, one representing the national legal system, the other representing the system of traditional laws and customs (Mantziaris and Martin, 2000). The concrete form of recognition, therefore, will have to be an outcome of the opening of certain spaces "from above" and pressures "from below" to expand such spaces and arrive at an understanding of collective rights.

The second issue regarding collective rights relates to its observance. Here, often distinctions are drawn between external protection and internal restriction. While it can be argued that external protection is a necessary safeguard for the observance of collective rights, any effort at diluting internal restriction would defeat the very objective of collective rights. For, if self-governing institutions are not granted any sanctioning capacity *vis-à-vis* their members they can hardly sustain their self-government in practice. Declaring all human rights fully applicable would drastically undermine the prospects for indigenous peoples' aspirations for self-government, a right derived from the right to collective self-determination. These underscore once again the importance of promoting an environment of respect, democratic dialogue and mutual accountability as basic requirements to the recognition of indigenous collective rights.

Concluding Observations

The democratization process is faced with two mutually exclusive goals: to secure true participation of the indigenous peoples giving recognition to cultural and legal pluralism with respect to autonomy of indigenous institutions or to integrate them into national development. But these do not seem to be so irreconcilable. Marked by a convergence of diverse interests and social forces, Latin America's

democratic transition and the attendant constitutional reforms since the 1980s, undoubtedly have paved the way for change. Yet, in many respects, the reform measures are somewhat vague and ambiguous. Therefore, conjecturing the ultimate outcomes of the process of change based on these constitutional reforms would be hazardous. For, although the recent changes reflect the democratic aspirations and the consolidation of new rights to hitherto excluded segments of society, they also seem to be a response to the pressure of economic restructuring in vogue in the region.

Yet, the reconfiguration of the Latin American state and the changing political and economic processes as of now suggest an important departure from the region's accustomed model of nation-state. Admittedly, both provide the context for the belated recognition of cultural pluralism and the ensuing balance between indigenous participation within the state and its institutions on the one hand, and respect for the autonomy of indigenous institutions on the other. All these are taking place in a democratic environment that is conducive to inter-cultural dialogue. What therefore needs to be avoided is the hardening of positions and a drift towards uncompromising situations. In this effort, it must be understood that the constitutionally guaranteed collective rights are only instruments; by no means, can they be substitutes for other mechanisms. It is here that inter-cultural dialogue along with the conditions to facilitate it, namely, democracy in all its dimensions consumes particular significance. They could, in the future, create a plurality of public spheres and spaces to resolve the conceptual and attitudinal differences

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Chinese Nationalism and the 2001 US Spy Plane Incident

Yu Zhang

Barely six months before the September 2001 terrorist attacks against the United States, a major incident threatened to bring the volatile relationship between China and the United States to crisis point. An American military plane along with its crew was seized by China for violating its air space and spying. Despite dignified denouement through diplomatic channels, the manner in which China viewed and handled issues thrown up by the incident has been attributed widely and mistakenly to China's political leadership without factoring the growth of Chinese nationalism as a determinant of China's US policy. However, the incident would have been handled more meaningfully if the two countries had communicated better with each other.

On 1 April 2001, Chinese leaders and the public were suddenly faced with an event full of symbolism. An American military plane and its crew—symbols of American power and aggression in the eyes of the Chinese from the Korean War to the bombing of the Chinese embassy in Yugoslavia in 1999—were forced to emergency landing in southern China after a mid-air collision with a Chinese fighter jet. Both sides were quick to blame each other and offered their own interpretations of the incident. US Secretary of State Colin Powell admitted that the spy plane had violated Chinese air space and “apologized”. The Chinese Foreign Ministry spokesman, Sun Yuxi, announced on 11 April 2001, “The Chinese government has agreed to let the US air crew go home, pending final procedures which I cannot reveal at this time.” Ten days after the mid-air collision that had pushed the US-China relationship to the brink of a severe crisis, both the sides found a resolution through negotiation (Suh, 2001). But the crisis revealed the deep-rooted suspicion between the United States and China as well as the role that nationalism and rhetoric played in it. Face-saving became paramount in the negotiation

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of a solution. While the English words "sorry" and "apology" have different connotations, compared to their Chinese equivalents "*daoqian*" (apologizing) or "*baodian*" (sorry), China's handling of this event has more to do with its modern history and national feelings than with the choice of words

Nationalism in China's Modern History

For centuries prior to 1840, the Chinese believed that China was at the centre of the universe and other states were its tributaries. This myth led to chauvinist attitudes, which were awakened by a series of invasions by Western powers starting with the Opium War between Britain and China in 1840 (Zhao, 2002; Zheng, 1999). For the Chinese, the period between 1840–1945 is a history of national humiliation: China was invaded, bullied, looted and humiliated by "the Eight Allied Western Powers" and later by Japan. The defencelessness and helplessness on the part of the Chinese during that period of their history has left an indelible and humiliating scar on the Chinese nation. Such a bitter memory also created a bond between the Chinese people and the Chinese Communist Party (CCP), which led the war against the Japanese invasion during 1937–45 and stood up to the US-led international embargo and threats of nuclear attacks against China in the 1950s (Zheng, 1999). The CCP constantly reminds the nation of the century-long humiliation that the Chinese people suffered at the hands of foreign nations and foreigners. While such patriotic education does have a self-serving goal—claiming and reinforcing the political legitimacy of the CCP—it also helped the Chinese people to see themselves and others from a perspective of history and in the context of the world community. This history helps determine that the priority of the Chinese leadership, government and people is to build a "rich country and strong army" to guarantee that China will never again face a similar experience. Other objectives are part of, and subordinate to, this central goal. Further, such a historical experience profoundly changed the way China defined its identity and relations with the US, one of the eight Western powers that invaded China at the turn of the twentieth century, and has underlined the necessity of building China into an independent, powerful and rich nation. Given this history, it is not surprising that Beijing's foreign policy is state-centred with a strong sense of history and emphasis on safeguarding national independence and sovereignty to ensure a long-term peaceful and stable international environment conducive to its economic development and all-round modernization drive. Therefore, the CCP is determined to restore China to its rightful position in the world.

Modern Chinese nationalism and national independence were first advocated by Chinese intellectuals in the late nineteenth century, followed by major anti-foreign nationalist movements like the Boxer Rebellion of 1900, the May Fourth Movement of 1919 and the anti-Japanese War of the 1930s and 1940s (Xu, 1998). Since taking over the reins of China in 1949, the CCP advocated opposition to US imperialism and Soviet hegemonism until the late Chinese leader Deng Xiaoping shifted China's attention to the economy and reform in 1978. The government's anti-West propaganda, the anti-American works of some Chinese

intellectuals and the public anti-US sentiment mainly focus on revenging China's humiliating and suffering past. These factors greatly impacted the Chinese peoples' consciousness and nationalistic feelings, especially that of the Chinese intellectuals and government officials (Xu, 1998; Zhang, 2002). As a result in the 1980s, for example, nationalism among most Chinese youth was awakened by the Japanese textbook controversy. In 1982, Japan's ministry of education used "entered" instead of "invaded" to describe its aggression of China and Asia in the 1930s and 1940s in the country's school textbooks. This revision provoked widespread protests in China and East Asia. China launched a full-scale campaign to force Japan to review the disputed term (Zhao, 2002). As late as the summer of 2004, anti-Japanese nationalism was evident from Chinese public and official indignation towards the annual visit of Japanese cabinet members to the memorial shrine for the military dead during the Second World War as well as the 2004 China-Japan Asian Cup soccer match in Beijing where a large posse of Chinese security forces had to be deployed to prevent any untoward mob action.

The rise of global ethnic and national conflicts in the last decade further awakened the Chinese sense of national identity and fuelled the public with a sense of nationalism (Fitzgerald, 1999). Official and public anti-American sentiments over American injustice as well as the political and economic barriers set by the United States like the beating of a Chinese tourist in the US by the homeland security personnel in the summer of 2004, the continuous US arms sale to Taiwan, the US spy flight mission near China, the blocking of the Chinese Olympic 2000 bid, linking trade to politics and the bombing of the Chinese embassy in Yugoslavia, are further strengthened by a growing Chinese ethnic pride in the all-round success of the Chinese nation in economy, trade, diplomacy, sports, education, arts and military. China believes that the US is conspiring to suppress the rise of China on the world stage by raising such contentious issues like human rights, labour standards and nuclear weapon proliferation. It accuses the US of selling weapons to Taiwan and supporting its independence. From time to time, as it happened in the 2001 spy plane incident, these dormant sentiments erupt into symbolic display of Chinese displeasure, if not anger.

Nationalism is an identity represented by individuals but organized and expressed by institutions; otherwise, individual nationalistic ideas or feelings matter little in international relations. Expressed more successfully through the state, nationalism is about national identity associated with the uniqueness of the nation-state (Lam, 2000; Wilhelm, 1994). As stated earlier, the rise of Chinese nationalism coincides with China's rapid economic growth, military modernization, cultural and educational expansions, as well as growing anti-West sentiment and assertiveness. Nationalism has become the common bond between the government and the public in China, replacing the official ideology. The recovery of Hong Kong in 1997 and Macao in 1999 were carefully orchestrated to underscore the collective past and future of the Chinese nation. Portraying the recovery of Hong Kong and Macao as the symbolic end of "a century of shame" at the hands of Western powers in modern Chinese history, the government strategically set Macao's

handover on the last day of the millennium to indicate the end of an era as well as the beginning of a new one (Lam, 2000). Similarly, the failed bid for the 2000 Olympics was an emotional blow to the national psyche only to be balanced by the proud success of the 2008 Olympic bid. The growing sense of nationalism played an important role during the spy plane crisis also. Like American "patriotism" displayed in the war on terrorism and the war with Iraq, Chinese "nationalism" is also characterized by patriotic rhetoric from the government, politicians, the public and the media despite the fact that the word "nationalism" can project the image of a villain, while "patriotism" that of a hero.

Chinese nationalism or patriotism can also be traced to its core foreign policy foundation. China's foreign policy centres on safeguarding national independence and state sovereignty and creating an international environment favourable to its economic development. It has two essential elements. One, maintaining independence in international affairs by determining its own position and policies without yielding to foreign pressures and not entering into alliances with any foreign powers. Two, establishing friendly and cooperative relations with all nations, especially with neighbouring and developing countries on the basis of the Five Principles of Peaceful Co-existence which are mutual respect for each nation's sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefits and peaceful co-existence.

The first element could cater to nationalist sentiments while the second would help in cooperation and conflict resolution. Expression of Chinese nationalism *vis-à-vis* the US has been marked by different degrees of affirmative, assertive or aggressive emotions. Affirmative nationalism centres exclusively on "China or Chinese" as a positive central element, with pride in attributes and achievements as in the recovery of Hong Kong. Assertive nationalism views the US as a negative element that challenges China's interests and possibly its identity as in the reaction toward the failed bid for the 2000 Olympics. Aggressive nationalistic feelings exclusively blame and resent the US Government and its policies, as in the spy plane incident. China's position and handling of the spy plane incident was influenced more by its memory of history and its perceived treatment by the US than by China's political system, as attributed by the US politicians and the media. During the crisis, the Strong Country Forum, a government supported online chat room was jammed with angry rhetoric toward the US. Months later, the same chat room was so short on sympathy for the 11 September 2001 terrorist attacks on the US that even the Chinese Government felt embarrassed and had to temporarily shut it down (Gilley and Hiebert, 2001).

A Million Dollar Face

China's positions and rhetoric towards the US are associated with its primary and secondary principles in foreign policies. Primary principles express China's essential and enduring national interests like sovereignty. Adherence to these principles will always be firm and consistent. Secondary principles are formulated

to deal with less substantial issues and secondary goals and could diminish or disappear when the primary goals are achieved. This set of dual principles enable China to establish a negotiating position to maximize its advantage (Pye, 1997; Zhao, 2002). In the spy plane incident, China clearly stated its primary principles that the US must apologize and stop future spying missions. These were essential and non-negotiable conditions. The rest, as to when and how the crew and the plane would be returned, were secondary and thus negotiable. This dual nature of the bargaining principles served to prevent the US from coercing China into making humiliating and regrettable concessions while providing it with a flexible bargaining tool. Insisting first on the US apology, the Chinese Government also flexibly applied this principle to reach a desired agreement and was willing to accept the words "sorry" and "regret" instead of the "apology" that it preferred.

Following the release of the US crew China's insistence that the US dismantle its \$80 million dollar aircraft into pieces before flying it home was political and cultural, not technical. According to Li Zhaoxing (China's then deputy and current Foreign Minister) allowing the plane to fly back to the US would have further hurt the dignity and feelings of the Chinese people (Associated Press, 2001). The negotiations revealed some fundamental differences between the American and Chinese styles and was more about symbolism than substance. Forcing the Americans to break their plane into pieces was symbolically important both to the Chinese Government and the Chinese public who live by symbolism and face-saving rituals. A symbol of aggression for the Chinese, the plane was as much a culprit as its crew. The US, on the other hand, was primarily interested in getting the crew back and was willing to compromise on symbolism (cutting the plane into pieces). This different emphasis led to the successful release of the crew and their plane. Another demand made by the Chinese Government to the US was the reimbursement of \$1 million for housing the crew and for parking the plane. What was important was not the payment of \$1 million by the US as such but the Chinese position that the US must compensate China for taking care of the crew and the plane despite the fact that the US had violated Chinese air space.

The Chinese negotiation style has been characterized by concern over saving or losing face in a showdown. In this incident, China tried to reverse the perception that the Chinese only talk about abstract principles and the Americans tend to make specific demands. To the Chinese, the process and the mood of the negotiations often influence, and even govern, the goal and the result of signing an agreement (Pye, 1997). Personal and national feelings are closely linked and, therefore, maintaining respect is paramount. That is why the Chinese Government reacted differently to the initially tough and subsequently softening of the US stance.

Contradictory statements by the US often confuse China which also, in turn, sends confusing signals to the US. Even before the spy plane incident, the relationship between the two was becoming adversarial after the Bush Administration characterized China-US ties as "strategic competition", abandoning the "constructive strategic partnership" framework that was reached with China during the Clinton Administration (Peng, 2001; Shambaugh, 2001). The Bush Administration also changed its previous Taiwan policy and improved ties with China's

unfriendly neighbours to encircle China. The mid-air collision incident, which took place against such a background, naturally angered China and threatened to bring the bilateral relations to freezing point.

The two governments and the business communities wanted to limit the impact of the incident despite tough rhetoric that characterized the response of the media and the politicians. Economic exchanges including flight operations between the two nations continued as usual during the period. Both United Airlines and the United Parcel Service opened new direct flights to China. Ford and Caterpillar Global each invested \$50 million in China to produce cars and tractors. At that time the mayor of Denver was leading a delegation of executives to China to promote business relations (Gilley and Hibert, 2001). Two months after the crisis, President Bush extended normal trading relations with China. The US House voted 237-197, followed by a more lopsided Senate vote of 83-15 to approve permanent trade relations with China (permanent trade relation with China approved, 2001). Months after the crisis, an American naval ship was granted access to Hong Kong after it had initially been turned down a few weeks earlier. A year later, another US naval ship was welcomed by a Chinese navy honour band to visit its northern fleet home port of Qingdao.

Opportunities and Common Grounds

It is important to recognize that opportunities and challenges are perennial in any relationship. Five months after the spy plane incident, the terrorist attacks of 11 September 2001 on the US offered an opportunity for reconciliation and improvement of the US-China relations. President Bush visited China as the war on terrorism began and declared, "China is not an enemy, but a great country," and wanted a constructive and cooperative relationship, instead of strategic competition, with China which he had announced when he had assumed office (Powell, 2003). Top US officials also stopped calling China "a strategic competitor". Secretary Powell began to use the term "constructive and cooperative relationship" to describe the US-China relationship (Peng, 2001). Even though this subtle yet significant rhetoric and changes in attitude towards China did not bring any substantial policy change, the new terms used to describe bilateral ties nevertheless played a positive role in pushing the relationship forward despite disagreements. Despite deep scepticism of the strategic intention and motives of each other, cooperation in anti-terrorism formed a new strategic foundation and partnership in the US-China relationship. Following the spy plane incident and the 11 September terrorist attack, the two nations now have a long-term, multifaceted, high-level and strategically grounded dialogue.

The spy plane incident epitomizes the often fragile and volatile US-China relationship. The two governments and the two peoples see the world, each other and bilateral relations from different perspectives. Given the size and the complex nature of the two societies, the US-China relationship is going to oscillate between frictions and stability and will continue to be both challenging and rewarding.

However, with much at stake, neither side was prepared to let the spy plane incident damage the relationship which is one of simultaneous cooperation and competition (Shambaugh, 2001). In fact, it can be argued that the long-term relationship between the two countries cannot remain hostage to the whims of any leader or administration or an event like the spy plane incident when an array of interactions covering cultural, social, educational, scientific, commercial, crime prevention, environmental protection, peacekeeping and other activities already bind the two nations. This soft power of a vast network of professional and personal interactions and non-governmental exchanges between the Chinese and American people serves to stabilize the more volatile relationship at the government level. This is also strengthened by the exchange of bilateral visits between officials of both the countries from time to time (ibid.; CRS, 2001).

Despite ups and downs and many differences, the two nations no doubt enjoy a mutually beneficial relationship. Politically, the two nuclear powers and permanent members of the UN Security Council cannot succeed in the UN without each other's support. Without China's support, the US can hardly succeed in fighting international terrorism, arms control, disarmament, proliferation, transnational organized crime, drug trafficking, money laundering, building a nuclear-free Korean Peninsula or promoting stability and human rights in the Asia Pacific. Economically China, the fastest growing economy and the US the biggest economy, have much to benefit from each other; they also complement each other. The US is China's second largest trading partner and China the third largest trading partner for the US.¹ And bilateral trade continues to grow. The two nations can also benefit from cooperation in fields like energy, environment protection and scientific, technological, cultural and educational exchanges. Since most of the times the interests of both the countries converge, a cooperative and non-confrontational bilateral relationship between China and the US not only serves the national interests of both the countries but it also contributes to world peace.

The spy plane incident probably would not have turned into the kind of crisis that it did had the two nations communicated with and understood each other better. China's foreign policy is determined by its national interests, domestic political stability, economic development, national unification and territorial integrity. As a growing power, China gradually realizes that following and reacting to the rules of the US and cultivating "relations" with it should be secondary to pursuing its interests. On the other hand, China is often used as a target for US campaigns against communism to promote democracy and human rights. The anti-China rhetoric and demands made in the US during the spy plane incident reflected the desire of politicians seeking media spotlight as well as the requirement of the media itself to sensationalize news. However, the threat of terrorism tempered

¹ US-China economic relationship improving, Evans says (28 June 2004). Information received from US-China@lists.state.gov, USINPO East Asia "US Destroyer Visits PLA Navy in Qingdao", 25 November 2002 (retrieved on 29 November 2002 from China's embassy in Washington at www.china-embassy.org) Also see Weng (2002)

perceptions about China as an adversary to be handled. Therefore, future US-China conflicts can be best resolved through mutual negotiations and consultations.

Conclusion

Given the complexity of the two societies and the various issues facing the relationship, differences between the US and China are natural. However, nationalism or patriotism can invoke a negative or positive image and can be an important cause or consequence of any conflict situation in the context of a bilateral relationship. Given the significant role that China's past plays in its interpretation of today's events, Chinese nationalism deserves special attention. The nation's sense of pride in its great civilization and a sense of humiliation in its modern history are key factors to China's interpretation of its identity and relationship with the rest of the world. China's experience of foreign invasion and aggression since the Opium War in 1840 in its modern history strongly influences the way China deals with the United States, as became evident in its handling of the spy plane incident. Without understanding China's past and taking into consideration its history, linking of China's handling of the spy plane incident to the nature of country's political system would be misplaced.

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CLASS, CASTE, GENDER

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5

Editor

MANORANJAN MOHANTY

Contemporary India's political landscape is characterized by a great deal of social upheaval. This is the result of growing democratic consciousness which is increasingly conflicting with the forces of domination, authoritarianism and hegemony. Against this backdrop, this volume provides an understanding of these forces in both historical and analytical terms. In particular, the seminal essays gathered here explore the specificities of the crucial social categories of class, caste and gender, while simultaneously drawing attention to the arenas in which they intersect.

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Book Reviews

America Alone

STEFAN HALPER and JONATHAN CLARKE, *America Alone: The Neo-Conservatives and the Global Order* (Cambridge, U.K.: Cambridge University Press, 2004). Pp 369, ISBN-0-521-83834-7 (Hb). Price not listed.

A central issue posed by 11 September 2001 and the Presidency of Bush Junior is whether or not US foreign policy today, shaped by neo-conservative ascendancy in Washington, constitutes a crucial rupture from the past? Halper and Clarke, self-declared adherents to "traditional Republican conservatism" say yes to this question. Many analysts will find significant continuities with the past and even the two authors emphasize various kinds of continuities of policy and practice with the previous Clinton Administration. But there remain two very different roads taken towards uncovering the reality of America's role in the world. Left scholarship, by and large, insists that the US has always pursued and practised imperialism, with today's neo-conservatives affecting the pace and manner of its current pursuit but not its essential content. Those more prone to emphasize the neo-conservative rupture are their liberal or right wing counterparts who share a common belief in the essential benignity of US foreign policy aims and practices though, among themselves, they do differ somewhat when it comes to identifying "mistakes", explaining why these happened, or what their consequences are. The only, and limited, intellectual meeting ground between left and right is the "hegemonic stability theory" in international relations. Since one cannot get away from having to subscribe to some kind of broader interpretive framework in regard to American behaviour, one chooses one's side.

In the opinion of this reviewer then this book is fundamentally flawed in its inability to properly situate the phenomenon of neo-conservatism within a much wider, deeper and continuous context of American imperial behaviour. But that does not mean that *America Alone* is without significant merits. On the contrary, it does a rather good job of identifying who the neo-conservatives are, where this "special interest group" comes from, how they ascended to power, what they think, how extensive and intensive their reach into public media is, what their links with policy think tanks are and where the funding comes from.

The authors are at pains to point out that they share and admire the "moral clarity" of the neo-conservatives but decry their "conceptual overreach and the

absence of pragmatism". Without the traditional conservative virtues of balance and caution, the neo-conservatives have become "liberal imperialists", a phrase that is meant to capture the duality of their project. They are out to do a good thing—seeking to extend and deepen American global influence—but in a bad and counter-productive way. They are excessively reliant on military means to pursue American foreign policy goals unheeding of the importance of soft power, that is, the procuring of consent. They have therefore squandered American goodwill not just among those regions, governments and peoples they would wish to change but also among US's European allies. They also have a single-minded focus on the West Asian region where they are motivated more by their ideological alignment with Israel as the only democracy in the region deserving the fullest American support, than by geo-economic considerations related to oil.

Harper and Clarke distinguish between first-generation or early neo-conservatives of the 1970s and 1980s like Irving Kristol, Norman Podhoretz, Daniel Bell, Daniel Patrick Moynihan, Midge Decter, Michael Novak and Gertrude Himmelfarb and the current generation of high-flying neo-conservative intellectuals like Robert Kagan, William Kristol, Joshua Muravchik, Richard Perle, Paul Wolfowitz and Charles Krauthammer. The early neo-conservatives had a much broader range of interests and writings partly derived from the experiences of their Marxist-Trotskyist past. They provided a powerful and continuous source of ideas about the dangers of multiculturalism and excessive emphasis on social equalities; sustained defence of the virtues of the market economy where the rich and the entrepreneurs are the natural heroes of economic life; the importance of anchoring moral values in tradition and religion; the need to limit governmental bureaucracies despite the pulls of welfarism. In contrast, today's neo-conservatives have nothing like this range of interests. But that leftist past of the early neo-conservatives also gave them a training in using theory in political combat and convinced them of the need for politics always to be guided by theory; a belief which is perhaps the most important legacy given by the early neo-conservatives to today's crop. But the weak spot of early neo-conservatism was its bitter opposition to Reagan's détente of the mid-1980s and its gross exaggeration of the threat of communism and of the Soviet Union. The neo-conservatives were marginalized by the changes under Gorbachev and then by USSR's collapse. Something so titanic as the end of the Cold War was bound to leave a political-ideological vacuum of sorts. But this was being filled by the Elder Bush through a morally grounded but pragmatic realism, and even though Clinton had begun to undermine this strategic perspective he had not gone as far as today's neo-conservatives eventually would.

What really turned the tide according to the authors was 11 September. The second-generation neo-conservatives were the only ones with a ready-made strategic package already prepared (for example, the "Defense Planning Guidance" document of 1992 culminating in the 1997 "Project for the New American Century"

or PNAC) that could address the new uncertainties in an unequivocal manner attractive to not just a public now deeply shaken and confused but to a Presidency also needing to exhibit unequivocal firmness and resolve. However, this "hijack" of policy would not have been possible if it was not for other preparations of the last decade and more, through which this "special interest group" had managed, unlike its intellectual forbearers, to enter and influence the higher echelons of the Republican Party itself and the state and defence departments, and thus to occupy a "privileged seat at the national decision-making table". Crucial to this achievement was how they ensconced themselves and their views within key policy think tanks (American Enterprise Institute, Heritage Foundation, Georgetown Center for Strategic Studies, Aspen Institute, Hudson Institute, Freedom House, Jewish Institute for National Security Affairs, Center for Security Policy, Hoover Institute in Stanford University, etc.). They also did this in the public media through a collaborative network aided by sympathetic editors of papers and magazine owners (Rupert Murdoch above all) in radio and television stations. Giving them a regular and sympathetic press hearing were the *Wall Street Journal*, *Washington Times*, *New York Post*, *American Spectator*, *National Review*, *Commentary*, *New York Sun*, *Weekly Standard*, *New Republic* and *New Yorker*. The electronic medium of radio talk shows and television news programmes was as important. Clear Channel Radio owned by Murdoch has 1,200 radio stations with 110 million listeners and it has a 26 per cent interest in the Hispanic Broadcast Corporation, which covers over 70 per cent of the Hispanic listening population. Murdoch-owned Fox Television Station has, by far, the widest coverage with over 40 per cent of all television households in the US, not to mention its global networks of Sky Television, Star TV and Fox channels for Kids and Families.

The authors' main charges against the neo-conservatives are that (a) they have undermined the international legitimacy enjoyed by the US; (b) they have unnecessarily alienated the Muslim world giving unfortunate grist to the spurious mill of the "clash of civilizations" thesis; (c) they have diverted attention from the real strategic threat which is not terrorism or Saddam Hussein but China and the key strategic region which is not the West Asian region but East/Northeast Asia; and (d) they have helped erode domestic liberties in the name of fighting terrorism thereby undermining the American ideal. Indeed, the best part of the book is the sobriety with which the authors have assessed the terrorist threat to the US. It would be too much to expect such diehard conservatives to acknowledge that among the worst (in scale and frequency) culprits of international terrorist acts and campaigns are the US and Israeli Governments; and, of course, they don't make any such acknowledgement. But as regards al Qaeda and 11 September, Harper and Clarke recognize that such terrorism has political roots that must be addressed. They insist that such terrorism be treated as a "management problem" and not something to be countered on a "war-footing". It is precisely the Bush Government's decision not to make a distinction between actual terrorists and the

states accused of harbouring them that transformed a conflict between the US Government and terrorist groups into a "war" between states that led to the 2003 Iraq assault and all its negative consequences internationally.

Yet, when all is said and done, the authors maintain their abiding commitment to the US's imperial role, even if they won't call it that because of their acceptance of the notion of "American exceptionalism". Thus they declare, "America is indispensable for global progress" and then, with no sense of embarrassment insist that to achieve this progress the expansion of "American values and institutions are the precondition. ." Chapter 8 on the sources and meaning of "anti-Americanism" is quite their worst and at the same time the most revealing of their wider intellectual-political framework. This is a very strange and narcissistic term. There is no such thing as anti-Italianism or anti-Germanism. The only equivalent is "anti-Sovietism" and in both cases, the USSR and the US, perceived themselves not as normal or ordinary countries with their mix of good and bad, right and wrong in foreign policy but as unique gifts to humanity whose pursuit of "national interest" was at one and the same time also the pursuit of a cosmopolitan universal interest. According to the authors, Americanism as a self-conscious ideology emerges only after the First World War in the Wilsonian era, while anti-Americanism is essentially a bundle of sentiments held over the previous two centuries by European elites nurturing a sense of cultural superiority over a new "upstart" about whose growing power they were in awe of, and whose internal levels of social equality and mobility they were envious of. This attitude was not lessened by the post-Second World War dependence of Europeans on American "protection" *vis-à-vis* the USSR.

This extraordinary temporal reversal and geographical displacement of the relationship between Americanism and anti-Americanism is crucial for maintaining the illusions of a basically benign US. Once you make anti-Americanism precede Americanism then you no longer have to seriously investigate the latter to check the falsity of its assumptions; it is the former that becomes the independent variable that must have primacy of investigation. Once you locate the key source of anti-Americanism in Europe and not in the Third World (the main area where American imperialism has actually operated) then you certainly don't have to seriously entertain the idea that anti-Americanism is the logical enough historical outcome of the nineteenth and early twentieth century depredations of the US in Latin America and the Pacific and of its twentieth century brutalities in Asia and Africa. Additionally, the notion of Americanism then becomes, through mystification and diversion, the most powerful ideological cover up for these depredations and brutalities of the past as well as for today's Washington-directed global Empire-building project. *America Alone* deserves both a careful and critical reading.

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Hegemonic Globalisation

THANH DUONG, *Hegemonic Globalisation: US Centrality and Global Strategy in the Emerging World Order* (Hampshire, U.K.: Ashgate, 2002). Pp xiv + 366. Price £47 50 (Hardback).

Continuity and the extent of the power position of the United States form the substance of the book under review. Duong contends that the theorists of the three major schools of international relations—neo-conservative, neo-liberal and neo-Gramscian—have failed to understand the extent of the power of the United States and its relation with the international community. The reason for this is that they are too “dogmatic”. Each one of them offers only a partial explanation of the complex reality of contemporary international relations. The author would rather have principles than stick to a single theory. He claims that he uses their concepts to explain what he says is the real structure of power. According to the author, the international system needs a hegemon to prevent it from falling into a state of anarchy and chaos. He rejects the theory of the rise and decline of powers as well as the theory of balance of power. He thus implies that this dominance of the international system by the United States is going to last, if not forever, then at least for the foreseeable future. He, however, puts one caveat. The United States should behave judiciously and without exhibiting arrogance of power towards five or six powers that have the capacity “to make the most of the differences in the international system”.

Duong argues that the United States is the supreme military power and leads the global economic order through its control of international financial institutions like the International Monetary Fund and the World Bank. After the collapse of the Soviet Union in 1991, the only credible challenge to its supremacy has disappeared. Its quest for global mastery is about to be accomplished. The book goes on to evaluate the military and economic capability of Russia, China and Japan and comes to the conclusion that none of them threaten the predominant position of the United States in the international system. These countries not only do not have the capacity but even do not have the will to challenge the United States. They feel that cooperation with the hegemon is more advantageous to them. The place of the European Union (EU) in the system is another important entity which the author considers. He feels that in the EU France is the only country that questions the leadership of the United States. But it too falls in line after initial resistance because it is addicted to trade with the US. The greatest advantage that the United States has is that due to geopolitical and historical reasons, these countries cannot join to oppose it. On the other hand, the United States can join hands with any of these major international players as it does not carry the burden of history. This reasoning has only superficial validity. History shows that when nations confront a new situation, they do not lose any time in forging new relationships. The United States and the Soviet Union after being bitter opponents entered into an alliance during the Second World War.

China forgot its quarrel with the United States to join hands with it to face Russia notwithstanding its ideological affinity with the Soviet Union.

Globalization for the author is not a process that is obliterating distances and undermining the sovereignty of states but it is the grand strategy of the United States to complete its domination of the international system.

The author considers the US's predominant influence beneficial to the international system because it "is being used to enforce a more liberal economic and political system" Most, if not all, of the economies are being integrated into a world economy under the leadership of the United States. The new economic world order is maximizing the capitalist mode of development. And if there is no challenge to its leadership then that is "globalization". To buttress his argument, Duong approvingly cites Gown's allegation that oil crises of the seventies were masterminded by the United States to deal a crippling blow to Japan and Western Europe. Japan's decade-long economic stagnation is cited as another example of the clever strategy of the Clinton Administration to push back the second largest economy in the world. If one were to extend this argument, one could contend that nothing in the world economy moves without the approval of the United States. Duong goes on to assert that if Asian economies think that they can break away from the US-led world economy, they are mistaken. Even France and other advanced European economies are so much tied to trade with the United States that they cannot oppose it. But the author ignores the fact that the world is interdependent and isolationism is not an option for any one, not even the United States. The burgeoning US trade deficit, loss of 2.7 million jobs in manufacturing within a short span of time and a jobless economic recovery underline that the dominance of the world economy by the United States is not as complete as the author would suggest. While discussing China, the author suggests as much when he states that the United States needs China as much as China needs the United States. He is willing to accept the condominium of important powers while rejecting the concert of powers as a possible scenario. But here too, Europe is accepted as a spoke in the American wheel.

The book began as the Master's thesis, was developed as a Ph.D. thesis and was completed in 2000. Even while he was finalizing his work, Osama Bin Laden's al Qaeda carried out devastating attacks against the two American embassies in East Africa. In retaliation, the United States fired seventy cruise missiles against Osama Bin Laden's hideouts with each missile costing nearly a million dollars. The United States was fighting a war not against a state but against an individual and his organization. The challenge to the American dominance is not being mounted by states but by elusive individuals and their organizations. The states have not yet learnt how to counter suicide bombers and car explosions. After the attack on the United States on 11 September 2001, it went after al Qaeda and Taliban in October 2001. Three years later, the war in Afghanistan is far from over. The United States is confronting even a more serious challenge to its dominance in Iraq. It could not muster even nine votes in the UN Security Council to get the resolution legitimizing its invasion of Iraq. These recent developments have

invalidated much of Duong's thesis. The author rejected Professor Paul Kennedy's thesis that the United States has militarily overstretched itself. But Senator Edward Kennedy argued more convincingly during discussions on Iraq that the United States had overstretched itself. Plans have been announced for the withdrawal of 70,000 American troops stationed overseas. The United States is indeed the world's most powerful military and economic power and as a result has the capacity to influence the developments in the world but there are limits to its power. Duong overstates his case.

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SDI and Strategic Politics

MIRA DURIC, *The Strategic Defence Initiative: US Policy and the Soviet Union* (Aldershot, Hampshire; & Burlington, VT: Ashgate, 2003). Pp. viii + 190. Price \$49.95.

Since Nagasaki, the nuclear era has centred largely on the concept of deterrence and the avoidance of nuclear use. During the Cold War, the United States and the Soviet Union amassed thousands of nuclear weapons to obtain a balance of terror based on the threat of mutual annihilation. Yet the fear of something going wrong to destroy the "peace" lurked constantly in the background. The search for a possible defence against nuclear weapons began early, but made little headway. The Anti-Ballistic Missile (ABM) Treaty of 1972, which committed the US and the Soviet Union to eschew defences against nuclear missiles—with each allowed one exception—assumed that such a defence was not only impracticable, but also undesirable. An imbalance in defensive capability, it was felt, would give the side with a better defence an incentive to strike first and hence set off an arms race encompassing both enhanced defences and greater offensive capability. Not defending oneself thus became the centrepiece of Cold War "stability".

But lingering fears and the intensification of the Cold War during the 1980s revived American interest in building a defence against nuclear weapons. President Ronald Reagan's Strategic Defence Initiative (SDI) marked the search for such a defence, and the rejection of the idea that stability can only be achieved by means of a balance of terror. The SDI embodied a (failed) effort to create a space-based defence shield that would use exotic technologies such as X-ray lasers and particle beams to protect the US from nuclear attack. Mira Duric's *Strategic Defence Initiative*, which examines the history and politics of Reagan's programme, utilizes a series of interviews with key American experts and archival documents—including

the correspondence between Reagan and Soviet leader Mikhail Gorbachev—to make the case that SDI played a significant role in ending the Cold War. Though somewhat limited by a paucity of resources on the Soviet/Russian side (which the author acknowledges), Duric's work provides a valuable understanding of the complexities that surrounded the SDI: the interface between politics and military technology; the problematic relationship between nuclear offence and defence; the linkage between domestic politics and strategy; the nature of US-Soviet strategic bargaining; and the critical importance of interpersonal relations between national leaders.

The notion of a shield against nuclear weapons was not new. Chapter 1 outlines its history, tracing its origins to German efforts in the Second World War (Wasserfall surface-to-air missiles), the idea of laser defence that came out of the Manhattan Project and Soviet efforts to develop the X-ray laser. Building on earlier American efforts—variously known as NIKE-ZEUS, Sentinel and Safeguard, the thrust for SDI in the early 1980s came from scientists like Edward Teller, conservative think tanks such as the Heritage Foundation and the White House. But the key personality was undoubtedly Reagan himself. The President proposed the SDI in a landmark speech on 23 March 1983 even before its technical feasibility had been confirmed. While there were other motives driving the programme, the central factor was Reagan's personal commitment to the abandonment of the balance of terror and the search for a world free of nuclear threats. To this end, he was willing to share SDI technology with the Soviet Union (pp. 24, 75), a fact that his critics often downplay.

The Soviet reaction to SDI (Chapter 2) was strongly critical, reasoning that it would give the US a first-strike advantage, thereby forcing a Soviet response that would escalate the arms race and diminish arms control stability. Though the argument is thinly backed by Soviet sources, Duric nevertheless makes a strong case for the view that the real threat to the Soviet Union was political rather than military. A robust response was available to the Soviet Union through technical counter-measures, the enhancement of offensive capability and the development of their own defensive capability (which had a long history). But Soviet leaders feared that in the long run, competition in missile defence would expose the technological weakness of the Soviet system as a whole.

Chapter 3 examines the Reykjavik Summit (October 1986). The summit came close to a dramatic breakthrough, with Reagan willing to cut all ballistic missiles by 50 per cent (and later ban them completely) and share SDI technology with the Soviet Union. Gorbachev seemed willing, but his general staff was not, and the summit collapsed because Reagan rejected the Soviet insistence on restricting SDI testing to the laboratory. The author makes the convincing argument that, despite its failure, the summit was a turning point: it showed that serious changes in the US-Soviet strategic relationship were on the minds of both leaders and it was only a question of finding a way out.

In the post-Reykjavik period (Chapter 4) that way was found. Gorbachev dropped his doggedness on limiting SDI to the lab as a precondition for arms control and

both sides agreed to leave unresolved their differing interpretations of the ABM Treaty (the United States wanted a broad interpretation allowing SDI testing). SDI itself slowed down as a result of budget cuts and technical difficulties. Once the main sticking point in US-Soviet relations, it was no longer an obstacle to dramatic changes that augured the end of the Cold War: the signing of the Intermediate Nuclear Forces (INF) Treaty in 1987, the increasingly warm Moscow and New York summits of 1988, Gorbachev's historic UN speech (7 December 1988) announcing unilateral arms reductions, cutbacks in Soviet forces in Eastern Europe and a ceasefire in Afghanistan.

In Chapter 5, the author focuses on the post-Cold War aftermath of SDI. Scaled down and reorganized, with a focus on ground-based rather than space-based interceptors, it was reincarnated as a Ballistic Missile Defence (BMD) programme that has, like its predecessor, become controversial. US BMD is aimed at "rogue states" or "states of concern" (notably North Korea and Iran), but has drawn much criticism from Russia, China and American sceptics, who view it—as well as the US abrogation of the ABM Treaty—as destabilizing developments. Some have argued that it could have a "cascading effect" on China, India and Pakistan, in that order, thereby engendering a global arms race and strategic instability.

Did SDI contribute to the end of the Cold War? In the concluding chapter, Duric argues that it did. The author does not subscribe to the "squeeze theory" which claims that the imminence of the new and immense technological and economic burden posed by the SDI caused the Soviet Union to capitulate. Duric's argument is a more sophisticated one. SDI squeezed the Soviet Union only in the sense (though a crucial one) that it forced Soviet leaders to come to the negotiating table. More important was Gorbachev's realization that if Reagan was willing to let the Reykjavik Summit fail on account of SDI, it must mean that he was not seeking strategic advantage, but "genuinely wanted to eliminate the threat of ballistic missile attack" (p. 173).

The book shows how a technologically weak concept can have profound effects on strategic politics—a fact which applies to both SDI and BMD. It also underscores the role of leadership and interpersonal relations in the shaping of strategic relationships. A more theoretically informed work would have examined at least briefly the relationship between agency and structure in determining outcomes in interstate politics. There are other weaknesses. Soviet sources are few and far between. Notably, Soviet reactions to the failure of the Reykjavik Summit have not been discussed. The main technical aspects of the SDI should at least have been outlined. Numerous errors of syntax reveal avoidable editorial lapses. But the chief drawback is analytical. Duric makes the untenable argument that missile defence is both "a defense and a deterrent" (p. 157). Discussing BMD in Chapter 5, the author states, "The enemy (as with the previous SDI) would perceive that the risks to it would outweigh the benefits of launching an attack on the US" (pp. 155–56). Let us explore this logic. It assumes that the enemy would not be deterred by US second-strike capability, which could devastate it. In that case, the enemy must not be rational. A dubious argument indeed, but let us continue. If it

were irrational, why would the enemy be deterred by a system that in any case nobody claims would be perfect? Advocates of SDI and BMD have clung to this peculiar but unfounded logic tenaciously. The only good basis for missile defence is simply this: it gives one a chance of defending against a small inexplicable attack or accidental launch. A porous shield is better than none at all.

The critics' view that missile defence is bad because it alters strategic balances is equally wrong. Because missile defences are almost certainly going to be porous (more importantly, cannot be known to be 100 per cent effective), their possessors can never be certain of preventing a second strike from succeeding partially. Unless one makes the absurd assessment that a few million deaths from a small nuclear retaliatory strike are acceptable, the possession of missile defences does not encourage a first strike. In short, missile defence does not detract from deterrence stability. Duric is only one of legions of strategic experts who do not appreciate this. That being said, the book is recommended reading not only for students of Cold War history, but for followers of contemporary strategic politics as well.

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The Kargil Conflict—A Pakistani Perspective

SHIREEN M. MAZARI, *The Kargil Conflict 1999* (Islamabad: Institute of Strategic Studies, 2003) Pp. 162 Price Rs 350 (US \$19.00).

"Those who do not remember history," wrote George Santayana, "are condemned to repeat it." It should follow that those who whitewash history are destined to learn the wrong lessons and are, in the process, condemning posterity to relive its horrors.

Authored by the Director General of the Islamabad-based Institute of Strategic Studies, a government think tank—the book under review is an account of the 1999 Kargil conflict, from a Pakistani perspective.

The events leading up to, and during, the Kargil conflict are well-known but need to be re-stated in the light of Mazari's attempt at a *post facto* revision. Even as the Lahore peace process was underway, the Pakistan army launched Operation Badr across the Line of Control (LoC) into the Kargil district of Jammu and Kashmir in the summer months of 1999. By infiltrating its regular army soldiers in civilian clothes through gaps along the LoC to physically occupy large areas of ground on the Indian side, Pakistan added a new dimension to its ten-year-old "proxy war" against India. Pakistan's provocative action compelled India to launch Operation "Vijay", a firm but measured and restrained military operation to clear the intruders and push them back across the LoC. This was achieved in the short period of less than three months. The story of India's determined fight back and

the Pakistan army's eventual capitulation under the combined onslaught of India's famed infantry battalions and mighty artillery is well-known and does not need to be repeated. On 26 July 1999, India's DGMO, General N.C. Vij (now the army Chief), declared that the last of the Pakistani intruders had been successfully evicted. For the Pakistan army, its Kargil misadventure was a desperate military operation that turned out to be a strategic blunder.

However, the account that Mazari provides is quite different and rather ludicrous. She argues that the Pakistan army's actions were actually reactive in nature. According to her, the Indian army was preparing to launch a summer offensive with 70 and 114 Infantry Brigades across the LoC through the Drass and Mashkoh sectors for which the two brigade groups had already been concentrated. She claims that "two major posts along the LoC in the Shaqma sector" were threatened by India "with the objective of denying Pakistan the ability to continue its interdiction of the Drass-Kargil road". With Zoji La Pass closed for the winter, the 70 Brigade was still in its traditional summer operational area of Sonamarg, Kangan and Ganderbal fighting Pakistan-sponsored mercenary terrorists and the 114 Brigade was in Ladakh maintaining a silent vigil over the Chinese border.

Shireen Mazari hangs this lurid assessment on the coming into power of the Bharatiya Janata Party (BJP), which in her view is "a party representing Hindu fundamentalists" and former Home Minister L.K. Advani's purported threat to launch "hot pursuit operations across the LoC". According to her, former Prime Minister A.B. Vajpayee's bus journey to Lahore was "a camouflage to military plans in the making (sic)." In keeping with the then Foreign Minister Sartaj Aziz's claim that the LoC had not been clearly demarcated during the Shimla Agreement of 1972, Mazari also believes that some *NLI* personnel may have strayed across the LoC due to "inaccuracy of maps, difficult terrain and difference in grids between the Pakistani maps and the Russian maps which were being used by the Indian army" Russian maps! The author needs to take note of the sophisticated map-making facilities of the Survey of India at Dehradun and the fully computerized digital mapping facilities in Delhi. It needs to be remembered that Indian remote sensing satellites are used for map imagery.

Further, Mazari quotes Indian authors and the Indian press very selectively to justify her view. She forgets that a free press is one of the key pillars of Indian democracy and, even as the nation rallied behind the Prime Minister and the armed forces to undo the Pakistan army's intrusions, there was plenty of criticism of why the intrusions had not been prevented in the first place, why these were detected rather late and why the initial actions taken to undo them appeared to be tardy.

The author provides her own story about Nawaz Sharif's famous visit to Washington D.C. and urgent entreaties to President Bill Clinton to help call a ceasefire. It is well-known that Musharraf himself had urged his Prime Minister to get the Pakistan army out of the mess that it had created for itself. Because Pakistan Army's General Headquarters (GHQ) had by then fully realized that post-Tololing and some Indian victories in the Batalik sector the tide had turned in favour of the Indians who would not stop at the LoC but could as well advance

further to claim more territory (as Pakistan's Foreign Minister had himself claimed that the LoC was not clearly demarcated). She claims that Nawaz Sharif capitulated when the Indian army had taken back only "10-11%" of the area occupied by Pakistan. She goes on to claim, "For Pakistan, militarily, the tactical aspects of the operation were successful." While she accepts that there were some shortcomings in strategic planning, she fudges the issue and fails to record either her approval or her disapproval. It is only regarding the strategic level of planning and execution that one would look forward to the views of the Director General of Pakistan's premier strategic think tank. More than anywhere else, it is here that Mazari disappoints her readers completely.

The author would do well to meet some young Pakistani officers who fought gallantly at Kargil even when they knew that it was a losing fight, the hapless widows of the Northern Light Infantry soldiers who were so callously placed in the show window as sacrificial lambs by the Generals in whom she has such touching faith. (The Generals did not want too many body-bags to arrive in the full glare of the media in the townships comprising the Punjabi heartland; hence, the Punjabis and the Baluchis were kept away.) She should have also taken note of independent accounts of the conflict in the Pakistani press and in magazines like the *Herald*.

Indian soldiers, analysts, academicians and lay readers should read this book as it serves to clearly bring out the Pakistan army's anti-India mindset and, sadly but surely, reinforces the emerging view that India cannot do business with the Pakistan army. That Pakistan is being governed by its army for many decades by proxy and will continue to be so in the foreseeable future, is symptomatic of the bitter truism that there is no hope whatsoever for better Indo-Pakistan relations. The Pakistan army, a state within a state, will simply not allow the two countries to solve their seemingly intractable but actually easily solvable disputes as its vital interests will be compromised by peace between India and Pakistan. It is only hostility that keeps the Pakistan army in business.

All in all the book reflects a poor attempt to justify an ill-conceived operation that led to the Pakistan army's defeat at the hands of the Indian army. Undoubtedly, this is a biased and immature account of the Pakistan army's Kargil campaign.

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Development of Capitalism

ROBERT N. GWYNNE, THOMAS KLAK and DENIS J B. SHAW, *Alternative Capitalisms: Geographies of Emerging Regions* (London: Arnold, 2003). Pp. 248. Price not mentioned.

Gwynne, Klak and Shaw analyse the development of capitalism in recent years in Latin America, East Asia and Eastern Europe using the World Systems Approach

(WST) Under this approach, developments in any particular region are tied in to the development of the overall economic system. Since the overall economic system is a capitalist one, regional developments have to fit into the development of capitalism worldwide. But there is a hierarchy among capitalist states depending on the degree of autonomy they enjoy in policy making and the extent to which they can control developments in other regions.

Before applying WST to the development of capitalism, they provide a good introduction to WST taking into account a number of criticisms that have been levelled against the approach. For instance, some analysts have tried to develop indicators to test the approach. But the authors argue persuasively that what is important is the relationship between countries and not merely some indicators of trade or economic structure. Countries exporting manufactures could be just as much a part of the periphery as countries exporting primary products. What is important is their place in the international system. It is also important to analyse this role in a historical context. In WST, the development of capitalism is the development of European imperialism. Today's system is based on the evolution of European imperialism. Such an approach skirts the issue of whether capitalistic features existed in other economies. The authors also discuss the need for a division of the world into core, periphery and semi-periphery, and argue once again that there is a need for some flexibility in characterizing countries into one category or another. They contend that on the basis of an indicator, a country may belong to the periphery whereas with regard to another it may belong to the semi-periphery. But this approach seems to be at variance with their earlier contention that one cannot look merely at one indicator or another. Also changing the characterization of countries depending on the problem at hand smacks too much of ad hoc theorization.

The development of capitalism in Latin America during the twentieth century is divided into three phases. From 1914 to 1945, roughly from the beginning of the First World War to the end of the Second World War, is a period of external dislocation and the shift to inward orientation. The years 1945 to 1980 saw substantial industrialization through extensive state intervention. The period 1981 to 1990 has been a "lost decade" because of the debt crisis and the subsequent structural adjustment. The necessity for structural adjustment is placed on its dependence on foreign capital because of the low rate of internal savings. While undoubtedly, rates of savings among Latin American countries have been considerably lower than among East Asian countries, the contrast can be overdrawn in the 1960s and 1970s. In this period, rates of savings in the two regions were not very different. The problems of the 1980s stemmed from the policies adopted earlier particularly in the 1970s in response to the first oil shock. The entire policy frameworks in the two regions needed greater analysis. As it is, the analysis of Latin American problems focuses on the Latin American countries themselves and does not adequately place them in the international capitalist framework, which is presumably the strength of the WST approach. Even here the analysis has some important limitations. It is stated that Chile did not get its due reward from investment in copper

as world prices of copper fell. First, Chile has been the only Latin American country that has shown a consistently high rate of growth during the 1980s and 1990s. Its reform is often held up as an example to be emulated. Second, the higher prices of copper in the 1970s laid the foundation for an improved Balance of Payment (BOP) position that was translated into higher investment, not merely into copper, and growth in later years. The position of Chile with regard to copper can be compared to the effect of higher oil prices during the past couple of years on the Russian economy. The higher oil prices have resulted in a much improved BOP position and a higher growth rate. It is as yet uncertain whether this is being translated into higher investment to lay the foundation for faster growth for an extended period.

The analysis of development in East Asia follows the standard pattern of the late followers adopting the same strategies as the earlier states—Korea, Taiwan, Singapore and Hong Kong following in the footsteps of Japan, and then Thailand, Malaysia and Indonesia and finally China. The latecomers even occupied the industrial niches vacated by the predecessors as the latter lost competitive edge because of rising wages. The predecessors often provided the latecomers with capital and technical expertise. But the account is so very conventional that one misses any special WST insight. In particular, given the role of exports in their development, one would have thought that the East Asian case was particularly opposite for analysis in the WST framework. It would have been interesting to apply this framework to analyse why the East Asian economies were able to expand their exports while Latin American countries were not able to do so.

There is a missing critical ingredient in the analysis of the transformation of the economies of Eastern Europe and the former Soviet Union. Presumably, intellectuals and policy makers in these countries were well versed in Marxist theory and knew of the lack of success of peripheral countries to develop. Yet the policy makers ditched their own systems and adopted the capitalist way of production. This was done at great sacrifice, some of it undoubtedly unexpected. The book does not discuss what compelled policy makers to make this shift and what they expected to gain from the shift. Nor do they discuss the apparent acceptance by the public of even the very high cost of the transformation. Such analysis must surely lead one to question the WST. Policy makers in these economies must have obviously thought that people in these countries would enjoy a higher standard of living after the switch. Why did they lose faith in their own systems and repose it in the capitalist system even if it meant accepting an inferior peripheral position?

The book is a very good introduction to WST theory. It, however, does not very successfully apply this theory of development in Latin America, East Asia and Eastern Europe. It does not provide an adequate analysis of the shift towards reduced protection, increasing reliance on market allocations and the greater role being accorded to private capital. Furthermore, the question of whether institutional development at the international level is eroding sovereignty and whose sovereignty is an important issue that deserves to be tackled. Many critics of the policies

adopted by developing countries see the institutional developments as eating away at the sovereignty of developing countries. But similar charges are also raised in the developed countries. Maybe sovereignty in both the developed and developing countries is being eroded as we move into a new phase of capitalist development and a division into merely the core, periphery and semi-periphery is not an adequate basis for analysis.

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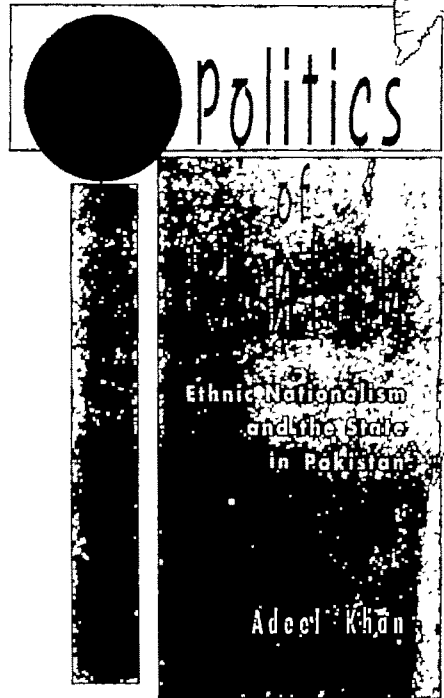
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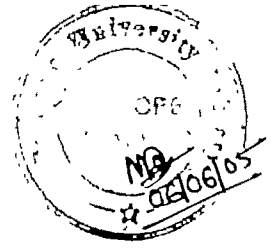
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Revisiting Foreign Aid Theories

Ashok Kumar Pankaj

Foreign aid, as a subject matter of political economy, has been intensely debated in global development discourse and international politics. Does aid lead to growth and development of the underdeveloped countries? Or is it an instrument used by donor countries to promote their domestic and foreign policy interests? The theory and practice of foreign aid suggest that even if it may be useful for the economic development of underdeveloped and developing countries in the initial stages; development comes through indigenous efforts and not through foreign aid. Moreover, there are serious political and economic hazards of a foreign aid led growth model and long-term dependence on foreign aid. Therefore, foreign aid may be desirable but not essential for the development of these countries. But more importantly, while negotiating aid, the recipient countries should be cautious of donor motives and their own national and foreign policy interests.

Foreign aid constituted an important component of the global development dialogue and international economic order in the post-Second World War period. It made a significant contribution to the development experiences of the Third World countries and formed the core of North–South relations largely till 1980. Its legitimacy as a promoter of growth and development of the underdeveloped countries was derived from the theory of economic development (the Harrod–Domar growth model) that identified capital as the single most important factor of growth. Foreign aid was also favoured for these countries as it was capable of removing their three major deficiencies—capital, foreign exchange and technical knowledge.

However, with the onslaught of neo-liberal political and economic thought over development discourse and the phasing out of the old international (political and economic) order, foreign aid seems to no longer be that important either in development theory or in international relations. More importantly, with the shift in development parlance and with the International Monetary Fund (IMF)–World Bank led universal drive towards globalization, liberalization and privatization, it appears that foreign trade and foreign direct investment (FDI) have pushed foreign aid from the centre stage of the global development dialogue and the international economic order.

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But notwithstanding this shift in the parameters of development and the international economic regime favouring free trade and FDI, foreign aid continues to constitute an important part of the global resource transfer from the developed to the developing countries. A large number of these (underdeveloped and developing) countries are still dependent on foreign aid to meet the shortage of capital, foreign exchange and technical knowledge as their internal economic structures are not favourably disposed to promoting foreign trade and attracting FDI and multilateral donor agencies are committed to supporting the development efforts of these countries despite the aid fatigue of bilateral donors.

This article seeks to examine the theory and practice of foreign aid to understand its political economic implications for both the donor and recipient countries. Though the study is rooted in the historical context of past experiences, it derives contemporary significance from the fact that (a) despite a global shift from bilateral to multilateral aid and foreign aid to foreign direct investment, various kinds of bilateral and multilateral aid still flows to the developing countries and in substantial amounts; (b) multilateral aid has largely replaced bilateral aid but there is a substantial similarity in the nature of the two; and (c) the rationale of foreign aid as a promoter of growth and development of the underdeveloped/developing¹ countries remains by and large uncontested both in theory and in practice. In the first part of the article, foundations of foreign aid theories have been examined in the context of aid being an agent of growth and development; in the second part, anti-aid arguments have been advanced *vis-à-vis* pro-aid theories; and lastly, a lesson has been drawn for future policy goals.

Foreign aid as a subject matter of development economics and international politics has been a matter of intense debate. Does aid promote growth and development of the underdeveloped countries? If it does, then why is it that most of these countries after long experiments with foreign aid and receiving huge amounts of it, are still to achieve a robust to high growth rate? Moreover, what is the role of foreign aid in international politics? Does it lead to more cordial relations between the donor-developed and recipient-developing countries? Or is it a foreign policy tool of donor countries to promote their national interests?

In development theory, there has been a clear polarization of pro-aid and anti-aid arguments. The protagonists of foreign aid argue that since capital, foreign exchange and technical knowledge are major deficits of growth and development of these (underdeveloped) countries and since their internal economic structures are unable to generate these resources in the initial stage foreign aid may prove helpful in pushing the growth rate by removing these bottlenecks. On the other hand, its antagonists argue that foreign aid does not necessarily lead to growth and development of these countries as their problems go beyond either savings or foreign exchange constraints. Moreover, in the absence of indigenous efforts, even foreign resources are not properly utilized.

¹ The terms underdeveloped, developing and less-developed countries have been used interchangeably in the article to denote those countries, which are recipients of foreign aid

Similarly, the role of foreign aid in international politics has generated pro-aid and anti-aid arguments. The former argument has an idealist concern and, hence, views foreign aid as promoter of international peace and prosperity through developing cordial relations between the donor and recipient countries. The latter argument has a realist perspective and treats foreign aid as a foreign policy tool to promote the national interests of donor countries (see Table 1).

Table 1
Foreign Aid Perspectives

<i>Perspective</i>	<i>Pro-Aid Views</i>	<i>Anti-Aid Views</i>
Micro Perspective implications for the donor and recipient countries	Foreign aid promotes growth and development of the underdeveloped countries.	Growth and development comes through indigenous efforts not through exogenous efforts
Macro Perspective implications for international politics.	Foreign aid promotes peace and prosperity and friendship and goodwill between the developed and developing countries	Foreign aid is a kind of subtle neo-imperialism, sustains unequal relations between the developed and developing countries

Foundations of Foreign Aid Theories

Development economics does not recognize the independent existence of foreign aid theories. They are taken to be a part of the general theory of growth and development and as most of the aid theories, which are employed today, are variants of, or a logical development of the various theories of growth and development they are not considered independently. Even criticism of foreign aid theories is, in a sense, criticism of one or the other theories of growth and development.

Since the fundamental principles of foreign aid and the general theory of growth and development are the same, a brief survey of the latter would be helpful in understanding the foundation of the former.

In the classical tradition economists have invariably identified capital as a key factor of growth and development, even though they have simultaneously recognized the importance of other variables like land, labour, trade and specialization. For Adam Smith, specialization and trade, capital accumulation and increased productivity through technical advancements were major factors in growth. But he emphasizes the role of capital and writes:

Increase or diminution of the capital of a country consequently increases or diminishes its annual produce.... Every increase or diminution of capital, therefore, naturally tends to increase or diminish the real quantity of industry the number of productive lands, and consequently the exchangeable value of the annual produce of the land and the labour of the country, the real wealth and revenue of all its inhabitants (Smith, 1961: 358).²

² Book-I of this book deals with the division of labor, wages, and specialization and Book-II with capital

For David Ricardo, capital accumulation is the key to growth but accumulation has depressionary effects too. As growth picks up, profits tend to decline because of a rise in wages resulting from higher prices as a consequence of an expanding population, scarcity of arable land and the operation of the law of diminishing returns. Hence, growth stops with the decline in capital accumulation, decline in population growth and subsistence wages (Ricardo, 1996). Malthus, while emphasizing the need for savings and investment, has suggested a concept of "optimum propensity to save" and argued that saving is needed up to a certain point to finance the investment for which profitable opportunity exists. However, if savings continue to increase beyond that point, it will reduce consumer spending to such an extent that investment too will be discouraged. Therefore, he seems to suggest an optimum level of savings to have a steady growth in the economy.³ Making a significant departure from the classicists and yet firmly rooted in the classical tradition, Karl Marx in his *magnum opus Das Capital* has dealt with the laws of the rise and fall of capitalism, its mode of functioning, its inherent contradictions and the far-reaching consequences of the inexorable functioning of the laws of capitalism. Surplus value (savings) is the key to Marxian economics.⁴

Among the neo-classicists, Alfred Marshall⁵ is notable for underlining the importance of capital and free trade as a promoter of growth and development. For Marshall, there are a number of factors, both economic and non-economic, that affect economic growth. The willingness and ability to save, improved transport, external economies, increasing returns and the existence of extensive markets, apart from natural resources, climate condition, human character and political freedom, are major determinants of growth and development (Mikesell, 1968: 29). Joseph A Schumpeter (1954) highlights the role of entrepreneurship in development theory and argues that the fundamental determinant of growth is neither savings nor capital, but the entrepreneur (or innovator). For him development is "carrying out of new combinations" like the introduction of a new good, the introduction of a new method of production, the opening of a new market, conquest of a new source of supply (raw materials) and carrying out a new organization of industry. Thus, Schumpeter would have advocated the flow of foreign aid in a developing country if it was combined with new skills and entrepreneurship. In foreign aid theories, when we talk of the capital-absorptive capacity approach, the impact of Schumpeter is evident. Though John Maynard Keynes was more concerned with how to cope with economic recession than to develop a theory of growth and development, his "General Theory of Employment, Interest and Money" made a landmark impact on post-Second World War development

³ For a brief account of Malthusian views on economic development, see Higgins, 1990: 67-75.

⁴ Marx (1971), Vol. I deals with the process of production, Vol. II with the process of circulation and Vol. III with the process of capitalist production as a whole.

⁵ However, Keynes has put Alfred Marshall in the classical category. He defines classical economists as those who have followed the lines of David Ricardo. And for that matter, he includes Alfred Marshall and A.C. Pigou too in the classical tradition.

economics. His fundamental contribution to development theory lies in the identification of savings and investment as the most important variables of growth. For, to Keynes, savings and capital formation are two primary movers of a national economy.⁶

In the post-Second World War period, development economics obtained a different shape and a radically new approach. The focus shifted from general perspectives on development to specific growth models emphasizing one or the other variables. R.F. Harrod (1970) and E.D. Domar (1957) took the lead by formulating an econometric growth model that identified capital as the most critical factor for enhancing the growth rate in the economy. This model has a very handy application in modern aid theory.⁷ W.W. Rostow has propounded the "historical stage theory" that has outlined a five-stage development history. These are: (a) the traditional society; (b) preconditions for take-off; (c) take off; (d) drive to maturity; and (e) the stage of high mass consumption. From the point of view of foreign aid and its impact upon the developing countries, the Rostowian concepts of take-off and preconditions for take-off are important. There are three conditions for a country to move on to the take-off stage including a rise in the rate of productive investment; the development of one or more manufacturing sectors; and rapid emergence of a political, social and institutional framework conducive to the transmission of

* John Mynard Keynes (1942. 89-131) To J.M. Keynes. Y (income) = C (consumption) + I (investment) and S (saving) = $Y - C$. Therefore, $S = I$. Elaborating his proposition, he writes, "The amount of saving is an outcome of the collective behaviour of individual entrepreneurs, these two amounts are necessarily equal, since each of them is equal to the excess of income over consumption. Provided it is agreed that income is equal to the value of current output, that current investment is equal to the value of the part of current output which is not consumed, and that saving is equal to the excess of income over consumption—all of which is conformable both to common sense and to the traditional usage of the great majority of economists—the equality of savings and investment necessarily follows. In short

Income = Value of output = consumption + investment ($Y = C + I$)

Saving = income - consumption ($S = Y - C$) Therefore, saving = investments ($S = I$)" (p. 63)

⁷ Raymond F. Mikesell (1968: 31) has explained in detail the application of Harrod-Domar growth model to foreign aid theory. "According to the Harrod-Domar growth model, the growth rate depends upon the relationship between income and spending, on the one hand and the additional output generated by the additional capacity created by the initial volumes of investment, on the other. The additional income or output, dy_t is a function of the incremental capital-output ratio, K , and the initial volume of investment, I_t . Since savings and investment are equal, we have $I_t = S_t$ at full employment, where S is the ratio of savings, S_t to income, y_t , and

$$dy_t = \frac{1}{K} I_t$$

With K assumed to be constant. Hence the rate of growth, g , may be expressed as

$$\frac{dy_t}{y_t} = \frac{S}{K} = \frac{I_t y_t}{K}, \text{ or the ratio of the investment to the incremental capital output ratio (ICOR).}$$

Thus, if a country is investing 9 per cent of its national income and the ICOR is 3, its rate of growth will be 3 per cent. If the country receives a flow of external aid equal to 3 per cent of its national income, it can grow at a rate of 4 per cent per year. Therefore, with the help of external

impulse to expansion throughout the economy, including the capacity to mobilize capital from domestic sources (Rostow, 1961). The justification of foreign aid lies in these conditions.

According to the critical rate of growth and minimum effort thesis, as propounded by Leibenstein and Nelson, there is a minimum level of per capita income, which must be obtained for sustained growth to take place (Nelson, 1956: 894–908). However, this can be achieved only by escaping the low-level equilibrium trap with the help of additional investment either in terms of foreign aid or otherwise. Ragnar Nurkse also pleads for massive capital investment in underdeveloped countries to break the vicious circle of poverty (Nurkse, 1953). He explains that these countries are inexorably trapped in a vicious circle of poverty, low income, low savings, low investment and low productivity. However, this circle can be broken by a big push of heavy capital investment. Foreign aid will be useful in giving that big push. Arthur Lewis has propounded a theory, which pleads for draining out of surplus agricultural labour to the industrial sector (Lewis, 1954: 139–91). However, this cannot be achieved unless and until the industrial sector expands suitably. But as the underdeveloped/developing countries face the problem of low savings and low capital formation their own capital resources are insufficient for the purpose. Hence, capital import either in terms of foreign aid or otherwise helps in moving surplus labour from the primary to the secondary sector. Raul Prebisch and Hans Singer have added external dimensions to the development theory by identifying foreign trade and capital imports as principal determinants (or deterrents) of growth. Prebisch in his study of the causes of underdevelopment in Latin America points out that a combination of external factors—volume of exports, terms of trade and net capital imports—are major causative factors (Prebisch, 1950). He pleads for a development strategy in which external factors are given prime attention.

This survey of the development theory illustrates that from the era of classical economics till today, capital formation has occupied a prominent position in development discourse. Classical economics has defined growth and development as a continuous race between population growth and technological progress; the latter in turn, however, depends on capital formation. Neo-classicists have considered capital crucial to the development process while putting equal emphasis on non-economic factors. To Keynes, savings and investment are prime movers of a national economy. And to modern theories of growth and development, particularly those developed in the post-Second World War period on the Harrod–Domar lines, capital is the key factor. In the 1960s and the 1970s, and even later, some socio-cultural models of economic growth were propounded.⁸ Nevertheless, the capital-centric growth model has remained prominent in development economics.

assistance, an economy can grow at a faster rate than that permitted by its domestic savings ratio alone. Moreover, if the marginal propensity to save is greater than the average propensity, the saving ratio will rise with the increased growth rate induced by external capital supplement to investment.”

⁸ For an overview of socio-cultural theories of growth and development, see Higgins (1990), pp. 209–96.

Since foreign aid is treated as a kind of capital formation, its protagonists argue that it is a source of growth and development for the underdeveloped countries, which are invariably capital deficit. Max F. Millikan, J.K. Galbraith, W.W. Rostow, P.N. Rosenstein Rodan, Chenery, Strout, Hans Singer, Raul Prebisch and others have pleaded for massive transfer of resources from the developed to the under-developed/developing countries.⁹ They have also argued that the low level of capital formation was a major constraint in achieving a high growth rate in these countries. However, with the help of foreign aid these countries can also move on to the road of a high growth rate. To support their case they have propounded a three-model approach to establish a positive correlation between foreign aid and economic growth.

Foreign Aid and Economic Growth: A Positive Correlation

There are three basic approaches to validate the proposition that foreign aid makes a positive impact on the growth and development of the recipient country. These are: (a) savings-investment gap approach; (b) foreign exchange earning-expenditure gap approach; and (c) capital absorptive capacity approach.

Savings-Investment Gap Approach

Chenery and Strout (1966), Millikan and Rostow (in Mikesell, 1965: 39), Rosenstein Rodan (in Mikesell, 1968: 79), Galbraith (1961) are leading exponents of this approach. They have explained that the major constraint to development of the less developed countries is a poor savings and investment rate and their inability to increase this in the short run due to institutional and non-institutional bottlenecks that keep their growth rate at a low level. However, if extra savings in terms of foreign aid are injected into these economies, they can achieve a higher growth rate than what is warranted by their own savings and investment rate. Moreover, they will be able to sustain a high growth rate because of their potentially high savings rate as assumed by the Keynesian proposition that marginal propensity to save is greater than the average propensity to save ($MPS > APS$). Further, it is argued that due to a shortage of capital, economies of these countries operate at less than optimum levels. But with the help of foreign capital they can enjoy the benefits of optimum level operations and they can reap the economies of scale related to the optimum level of production.

Since this approach is based on the Harrod-Domar growth model and the Cobb-Douglas production function; a simplified version of this can be presented as follows.

$$\text{Output/Growth Rate} = \frac{\text{Rate of Investment}}{\text{Incremental Capital-Output Ratio}}$$

* For a detailed account of their arguments, see Raymond F Mikesell (1968), Healy (1971), Hawkins (1970); Galbraith (1961); Chenery and Strout (1966)

For example, economy (X) with savings rate of 12 per cent would achieve 4 per cent growth rate if ICOR were (assumed) 3 per cent.

$$O = \frac{12}{3} = 4\%$$

However, if the economy (X) receives foreign aid worth 3 per cent of its savings rate then its growth rate will as per the above formula move to 5 per cent.

$$O = \frac{12+3}{3} = 5\%$$

Therefore, economy X would be able to achieve a 1 per cent higher growth rate as a result of inflow of foreign aid worth 3 per cent of its savings rate provided the ICOR is constant.

However, the savings-investment gap approach seems to be based on the following assumptions:

1. The Harrod-Domar growth model and the Cobb-Douglas production function.
2. Underdeveloped countries are characterized by low rate of capital formation and it is a major constraint to their achieving a high growth rate.
3. There is a perfect substitutability between domestic and foreign capital.
4. Marginal propensity to save is greater than the average propensity to save ($MPS > APS$, a Keynesian assumption).
5. Low rate of capital formation and investment leads to under-utilization of domestic capacity and resources.

Foreign Exchange Earning-Expenditure Gap Approach

Mckinnon (1964), Chenery and Strout (1966), Prebisch and Singer (in Mikesell, 1968: 57) have argued that foreign aid can have a larger favourable impact on growth and development of the underdeveloped countries if it is used to finance the purchase of goods and services not produced domestically but which are of strategic importance to growth and development. This is all the more important as the economies of these countries are unable to operate at the optimum level due to the unavailability of these goods and services and their foreign exchange reserves are insufficient to import them. Moreover, they suffer from structural limitations for enhancing foreign exchange earnings because of (a) secular decline in terms of trade of primary commodity (as elasticity of demand for primary commodity is less than one) (Prebisch, no data); and (b) an inelastic domestic supply condition. Hence, Prebisch has suggested that these countries should move out of primary commodity production and go for massive import substitution even with the help of foreign aid so that the economy finally moves to a self-sustaining growth stage.

The major assumptions of the foreign exchange earning–expenditure gap approach are:

1. There are many goods and services of critical importance to growth and development which are not produced locally at the early stage of development and need to be imported.
2. Non-availability of these goods and services affects optimum level of production and leads to non-utilization of domestic resources.
3. Imperfect substitutability of domestic and foreign resources.
4. Secular decline in terms of trade of primary commodity exporting countries (Prebischian assumption).

Capital Absorptive Capacity Approach

This approach pleads for a non-economic model of foreign aid. Economists and policy makers who do not confine themselves either to the savings–investment or the foreign exchange earning–expenditure gap approach advocate this approach to determine the nature and amount of foreign aid.

Capital absorptive capacity has been defined as “more or less an absolute limit to the amount of capital, domestic or external, that can be productively employed in the sense of giving net returns over and above depreciation” (Millikan, no detail). It has been argued that the underdeveloped countries have a low level of capital absorptive capacity, which affects the optimum utilization of domestic and external resources. However, with the help of foreign aid, specifically targeted towards programme like skill development, human capital formation, specific area development, establishment of technical institutions and training of managerial and technical personnel, the underdeveloped countries can improve their growth rate provided other conditions are appropriate. Chenery and Strout have explained capital-absorptive capacity as a kind of skill-limitation that is more pronounced in Phase-I of the development process and which does not permit a level of investment high enough for output to grow at the targeted rate (Chenery and Strout, 1966). Rosenstein Rodan, Millikan and Rostow have applied a combination of the savings investment and capital absorptive capacity approach to estimate the foreign aid requirements of developing countries (Millikan, no details).

This approach is based on the following assumptions:

1. Non-economic factors, mainly cultural-institutional bottlenecks, lack of entrepreneurship, social impediments to technological changes and innovations, low level of education, rapid population growth and immobility of factors of production are some major constraints in the growth and development of these countries. These factors in turn create a shortage of skilled workers, managers and technical personnel, which severely limit the amount of productive investment that can be planned, organized and executed.

2. In the early phase of development, most of these countries face a shortage of managerial, technical and other skilled personnel, which does not permit the level of investment to be as high as their domestic savings rate would have permitted. But by investing in educational and technical institutions and in research and development skilled personnel can be generated. Since, the less-developed countries face a shortage of capital they have a very poor resource base to invest in these sectors. Moreover, skill generation is a long-term process and it is characterized by a high gestation period. However, if foreign aid in terms of a programme or project, specially directed towards skill generation is imported, the less-developed countries will be able to overcome this deficiency.

Foreign Aid and Economic Growth: A Critical Evaluation

P.T. Bauer (1959), B.R. Shenoy (1974), T.J. Byres (1972), Michael Lipton (Lipton and Teye, 1990), are well-known critics of the foreign aid led growth model. They have not only rejected the theory that foreign aid is positively correlated to growth and development but are also critical of the foreign aid led growth strategy. They argue that there is a fundamental difference between foreign capital and domestic capital. Moreover, foreign aid *per se* does not ensure growth and development of the underdeveloped/less-developed countries. Rather, there are certain economic and political hazards of dependence on foreign aid that need to be understood. They have argued against a foreign aid led growth strategy both on theoretical propositions and practical experiences of aid receiving countries.

First, they argue that foreign aid led growth models are biased towards the capital-intensive growth strategy. A generalized application of these models is not without limitations as structural conditions of all these countries are not the same. Also, capital formation is not the only problem being faced by these countries. They definitely suffer from low capital formation. But the problems of these countries go beyond either savings constraints or foreign exchange constraints. For example, problems like colonial and semi-colonial dependence on the North; profit and capital gains returning to metropolitan investors and; the time lag between inventions and discoveries and their application constitute some important bottlenecks to development in underdeveloped countries which cannot be removed simply by the inflow of foreign aid (Mikesell, 1968: 32–33). Similarly, the socio-cultural impediments to growth and development, structural rigidities, the low level of technology, poor banking and financial institutions, wrong government policies and an overloaded primary sector, are other deterrents of growth and development which cannot be removed just by pumping extra capital from outside. Another problem with this capital oriented growth strategy is its suitability to the less-developed countries, which are invariably labour surplus, and their major concern is not just to push the growth rate but also to enhance employment opportunities in the economy.

Critics have challenged major assumptions of the savings-investment gap approach. First, it is argued that the Cobb-Douglas production function fails to incorporate a number of important determinants of growth like technological progress, the amount and quality of natural resources and the social and cultural characteristics of an economy as important growth variables (Mikesell, 1968: 32). Moreover, as against the emphasis on capital, Solow puts emphasis on technical improvement and relates it to the rate of production (*ibid.*: 33). Similarly, Bowman and Denison do not attach primary importance to both capital and technology; instead they emphasize improvement in labour quality (*ibid.*: 34). Denison argues that improvement in the average quality of the workforce is more important than either capital or technology in promoting growth and development. To substantiate his argument, he alludes to the case of the US and points out that 23 per cent of the growth in the US national income over the period 1929–57 is attributed to input of productive services derived from education alone. He further notices that improvement in labour quality accounts for about half of the growth in total factor productivity in the US over the period 1929–60 (*ibid.*).

A major assumption of the savings-investment gap approach—marginal propensity to save is greater than the average propensity to save ($MPS > APS$)—has been challenged by its critics. It is held that savings is a function of institutional arrangements, the business structure, capital market, savings habits and government policy (*ibid.*: 95). Therefore, it is erroneous to establish a simple direct relation between income and savings. Fie and Paaw have rejected the hypothesis of $MPS > APS$ and have found marginal per capital of savings ratio less than or equal to the average per capita savings ratio (*ibid.*: 95–99). This behaviour of savings which is not essentially $MPS > APS$ casts serious doubts about the efficacy of the foreign aid led growth model promised on the above assumption.

Richard Nelson has argued against the single factor growth model as championed by the protagonists of foreign aid which identifies either savings, or foreign exchange or skill as a major constraint to the growth and development of these countries. However, he has stressed that there is a high level of interdependence among the various factors of production (Nelson, 1964: 575). This factorial interdependence has been ignored in various foreign aid models as they have attributed a substantial portion of the increased growth rate either to capital input, or foreign exchange or skill.

Henery J. Burton (1981) has criticized the foreign aid growth model based on the foreign exchange earning–expenditure gap approach. He has classified foreign exchange earnings into two parts—unearned foreign exchange and earned foreign exchange. On the basis of the above classification, he holds that the simple flow of unearned foreign exchange is not very helpful in pushing the growth rate. His argument is that if foreign exchange is simply an inflow from outside either in terms of remittances from nationals working abroad, or from petroleum exports or from foreign aid rather than from exports produced by the indigenous sectors it does not help much in pushing the growth rate.

P.T. Bauer, a major critic of foreign aid, has rejected the notion of obtaining self-sustained growth on the basis of foreign aid. He has identified determinants of development—people's beliefs, economic qualities and attitudes, their values and objectives and their social and political values—which are not affected favourably by the inflow of foreign aid (Ward and Bauer, 1968: 46). Further, he holds that natural resources and external market opportunities are two other important factors and from the point of view of development, the latter is more significant than the former. To support his case, Bauer illustrates the case of Japan, Belgium and Holland which are deficient in natural resources but have nevertheless made significant progress in economic development by exploiting external market opportunities. Moreover, there are historical evidences of countries which have made substantial material progress without any large amount of foreign aid, and countries, which have failed to reach a self-sustaining growth rate in spite of a huge amount of foreign aid. Examples of Japan, Hong Kong and of many other Western countries are noticeable in the first category, whereas India and Pakistan fall in the second category. Bauer contextualized the Indian example as: "Thirteen years after the beginning of Western aid and the inception of the five year plan, the country experienced in 1964–65, the most acute of its recurrent almost annual food and foreign exchange crises" (Ward and Bauer, 1968: 48).

Another important criticism of foreign aid is that it kills the process of learning. When the resources are produced indigenously, the concerned country has the opportunity to learn and develop the process of production, new skills and technology. But when the resources are merely imported from outside, as happens with foreign aid, then the process of acquiring knowledge and skill is also lost. This loss of opportunity in terms of the development process enhances the aid receiving country's dependence on external supply. Foreign aid also has the tendency to promote export lethargy in the aid recipient country as more often than not it is geared to meet the shortage of foreign exchange. But the problem lies in the way the recipient country utilizes this shortage as an alibi for getting more foreign aid. Instead of resorting to export promotion efforts, the easy option of getting foreign aid is utilized. This not only promotes a culture of export lethargy but also perpetuates indiscipline in the balance of payment position.

Foreign aid has another implication for the aid receiving country. It has been invariably found that the recipient country tends to engage in ambitious planning on the basis of the assurance of external donors but fails to mobilize matching domestic resources required for it. Moreover, domestic failure to mobilize local resources is taken care of by blatantly resorting to deficit financing. India is the most interesting example of this and this is demonstrated in Table 2.

Foreign aid also has adverse political implications for federal polity because it leads to the centralization of power in the aid receiving country as the donor country gives aid directly to the federal government that results in enhanced financial powers of the federal government. That apart, on the basis of foreign aid, the federal government indulges in ambitious expansion of public sector undertakings without considering their economic viability. This happened in India

Table 2
(Percentage) Share of Domestic and External Resources in Five Year Plans of India

Various Plans	Domestic Resources	External Resources	Deficit Financing	Total
First Plan	73	10	17	100
Second Plan	56	24	20	100
Third Plan	59	28	13	100
Fourth Plan	74	13	13	100
Fifth Plan	82	15	03	100

Source: Various Plan Documents

where the federal government enjoyed the sole constitutional power to enter into international agreements for capital borrowing.

Government policy plays a crucial role in promoting growth and development. A mere import of capital does not ensure a higher growth rate. Rather, capital imports matched with suitable domestic and governmental policies can help in pushing the growth rate and the development process. For example, most of the successful developers including Korea, Brazil, Ivory Coast, the Philippines, Thailand and Malaysia have received substantial amounts of development aid but so have some of the less successful countries like Argentina, India, Pakistan, Tanzania, Zambia and Zaire. This corroborates the argument that foreign aid can promote growth and development only in combination with suitable governmental policy.

Foreign aid also generates adverse cultural effects for the aid receiving country. Bauer has criticized foreign aid for promoting a culture of pauperization. He defines a pauper as one who relies on unearned income and pauperization accordingly denotes the promotion and acceptance of the idea that unearned doles are a main ingredient in livelihood (Ward and Bauer, 1968: 50). He further explains:

This danger of pauperisation which derives from the advocacy and flow of aid is enhanced by the prevalence in many underdeveloped countries of certain attitudes and customs, notably the recognized status of beggary and the absence of social stigma in the acceptance of indiscriminate charity which is conspicuous in South Asia. The recent economic history of India can be summed up as progression from poverty to pauperism (ibid.: 51).

Marshall Plan as a Model for Underdeveloped Countries

Apart from the theoretical rationale, there has been empirical evidence to show the efficacy of foreign aid as a promoter of growth and development. "The Marshall Plan" of the United States is quoted most often to substantiate the case, with supporters of foreign aid often alluding to this plan to champion the case. The Marshall Plan was a massive programme of economic assistance launched in nineteen European countries facing problems of low productivity and stagnant growth in the immediate aftermath of the Second World War. This programme was continued

for a decade and resulted in quick recoveries by these countries from economic recession.

Chenery and Strout have given the examples of Greece, Israel, Taiwan and the Philippines, and have written in this context:

The possibilities of securing rapid and sustained development by effective use of foreign assistance have been strikingly demonstrated in the past decade by such countries as Greece, Israel, Taiwan and the Philippines. In each case a substantial increase in investment financed largely by foreign loans and grants has led to rapid growth of GNP followed by a steady decline in the dependence on external financing. Not only was growth accelerated by foreign assistance, but the ability of each economy to sustain further development from its own resources was very substantially increased (Chenery and Strout, UN-64: 4).

However, this common analogy between foreign aid led development of less-developed countries and the Marshall Plan is based on a number of false notions.

First, whereas the economies of Western Europe had to be resurrected, those of the less-developed countries have to take-off. Moreover, the post-Second World War stagnation of Western Europe was a mere aberration in the growth path. But the latter has yet to reach the take-off stage. Second, in the post-Second World War period, Western European countries faced a shortage of raw material, food stock and to an extent capital. But they had well-developed human capital, scientific and technical manpower, an organized industrial sector and other infrastructural facilities. On the contrary, the less-developed countries have yet to build their infrastructural base. Third, almost the entire aid under the Marshall Plan consisted of food aid and raw materials, which was essentially an emergency programme in nature. But the less-developed countries have structural deficiencies which cannot be removed simply by an emergency programme like the Marshall Plan. The contrast is thus obvious (ibid.: 49).

Implications of Food Aid

Food aid was an important component of the foreign aid programme for the less-developed countries in the 1950s and 1960s. India received massive food aid from the US under PL 480 and 665. But a study of the food aid programme indicates its adverse effects upon the agrarian economy of the recipient country in three ways (Shenoy, 1968, 1974; Fonseca, 1983). First, it depresses the domestic price condition of agricultural commodities by creating additional supply from outside; second, it creates conditions for the decline in output by price effect and third, it affects cultivation habits and shifts cropping pattern.

Massive import of foodgrains in terms of foreign aid has depressionary effects on the agricultural price condition in the short run but in the long run it affects overall production because when the prices of cereals decline, farmers start substituting them with products which will give them comparatively high returns.

Moreover, the prevailing cultivable area under foodgrains may be shifted to cash or other crops with higher returns. This reduces the availability of domestic food supply and the dependence on foreign supply increases further. The adverse effects of food aid have been empirically demonstrated (Rao and Narain, 1963: 1–13). The price of wheat in India was at its normal position midway between rice and *jawar* in the pre-PL 480 period (1952–53). However, with the inflow of PL 480 wheat, there was a decline in its price. This decline in price was noticed when there was an inflationary trend in general commodity prices. This situation continued till 1962–63 when wheat import constituted, on an average 103 per cent of the domestic marketable surplus. However, from 1967 onwards, when PL 480 assistance declined, the share of wheat imports dropped sharply from 230 per cent to 170 per cent and later to merely 50 per cent of the total domestic marketable surplus. Correspondingly, the wheat price moved upward and in just a few years it reached the normal position midway between rice and *jawar* (*ibid.*). The fact that during the period of food aid, wheat cropping was substituted by other crops is demonstrated by the following figures: In 1956–57, Indian farmers produced 74 per cent of the total supply of wheat. This declined to 62 per cent in 1964–65 and further to 54 per cent in 1965–66—the peak of food aid under PL 480 (*ibid.*). Further, B.R. Shenoy is of the view that the PL 480 counterpart fund was expansionary in effect (Shenoy, 1974: 41). In the case of PL 480 food aid, the payment out of the counterpart fund had to be made in Indian currency. This fund was to be spent at the US Embassy in India. But the proceeds from the sale of wheat were inadequate to reimburse the total cost of wheat import. This was due to the sale of wheat at a subsidized rate through the public distribution system. To meet the resultant deficit in payment to the US the Indian Government resorted to borrowing money from the Reserve Bank of India (RBI) that created extra liquidity in the market. This additional liquidity induced an inflationary situation in the country (*ibid.*: 42).

International Relations Theory and Foreign Aid

Foreign aid, as a tool of foreign policy has been differently viewed by various schools of thought in international relations. The idealist school views the flow of economic aid from the developed to the developing countries as positive for maintenance of world peace and prosperity. It is also argued that the developed countries have a moral obligation to lend a helping hand to the developing countries. Economists, policy makers and statesmen from developed countries largely support this argument. Multilateral donor institutions are other important protagonists of this view. The “Pearson Commission Report” (1969) and the “Report of the Independent Commission on International Development” (Willy Brandt Commission, 1980) are two landmark policy guidelines in this respect (Brandt, 1980, 1983; Pearson Commission, 1969). The former has not only pleaded to the donor (developed) countries for the enhancement of official aid to 0.70 per cent of their Gross National Product but also emphasized that aid operations be made

more meaningful, useful and mutually beneficial. It has further argued that the enhanced level of official aid should be combined with better partnership, clear purpose and greater cohesion in its administration. Whereas the Pearson Commission Report has focused its attention mostly on the financial transfer of resources, the Willy Brandt Commission has gone beyond that. It proposes that "the fundamental issue today before the global community is not merely, or even mainly, one of aid; rather of basic changes in the world economy to help developing countries pay their own way (Brandt, 1980, 1983). For this Commission, the restructuring of the world economy is necessary for the survival of both the North and the South.

A critique of the realist school, which defines foreign aid largely in terms of power and national interests of the donor country, finds it an instrument of neo-colonialism.¹⁰ It has examined the flow of aid from the developed to developing countries in that perspective and posed that aid is a new, cheaper and more subtle weapon of imperialism in the hands of the North as it is invoked to promote national interests of donor countries and their national interests may be as diverse as keeping a particular regime in power, ensuring access to strategically important places, procuring strategic and other important raw materials, getting a favourable vote in a United Nations (UN) forum, serving ideological purposes like containing the spread of communism, promoting trade and investment, selling surplus commodities and imposing macro-economic policy packages like structural adjustment programmes and economic liberalization on recipient countries (Nelson, 1968: 1-30).

Theories of underdevelopment, imperialism and dependency explain the phenomenon of foreign aid from the perspectives of recipient countries. Since these are very comprehensive theories analysing the problem of underdevelopment and dependency of the less-developed countries over their erstwhile colonizers, they have not focussed merely on foreign aid. Rather they have examined in detail North-South relations and foreign aid is a part of that analysis.¹¹

The theory of imperialism treats foreign aid as an instrument of neo-imperialism. However, the perspective of the liberal theorists belonging to this school radically differs from that of the Marxists.¹² Hobson, Kautsky and Schumpeter subscribe to

¹⁰ Teresa Hayter, an official of multicultural institutions involved in aid operations, has led a frontline attack on foreign aid and argued that the transfer of resources from the developed to developing countries in terms of foreign aids is an attempt to preserve and promote the capitalist system in the Third World countries. She has also emphasized that foreign aid is nothing but a smooth face of imperialism. See Hayter (1971, 1981) and Hayter and Watson (1985). Similarly, Tibor Mende (1973) has examined the issue of foreign aid largely in terms of recasting the industrially advanced countries' relations with their former colonies in the post-Second World War period and tried to prove that aid is a cheaper, convenient and profitable instrument of neo-colonialism.

¹¹ Andre Gunder Frank's (1971), Nikolai Bukharin's (1929), and Puriardo Celso's (1964), are pioneer works in this field.

¹² Theories of imperialism are broadly classified into two categories—liberal and Marxist. Hobson, Kautsky, Schumpeter and Galtung subscribe to liberal views whereas Luxemburg, Hilferding, Bukharin, Lenin, Baran and Sweezy, Magdoff subscribe to Marxist approach. For this classification, see Chilkote (1994: 253).

liberal perspectives. Their major contention is that under consumption in the domestic market of the developed countries is the cause of the flow of resources to outside and hence of imperialism (Chilkote, 1994). They also hold the view that with increased domestic consumption there would be no surplus to invest in foreign markets and therefore, this phenomenon of flow of capital to the developing countries would automatically end. Rosa Luxemburg, Bukharin, Lenin, Baran, Sweezy and Magdoff represent the Marxist school. They have found that capital accumulation and the capitalist mode of production would inevitably lead to imperialism (ibid.: 258–62) as imperialism is a reflection of an expanding capitalism necessitated by the contradictions of the capitalist mode of production. They have also proposed that imperialism is a stage of capitalism. Lenin's famous statement that capitalism is the last stage of imperialism is notable for this purpose.

The dependency theory is also divided along liberal and Marxist lines.¹³ Raul Prebisch and other economists associated with Economic Commission for Latin America (ECLA) have treated the dependence of the less-developed countries on developed countries in a liberal framework. They have pleaded for import substitution and creation of tariff barriers for products of advanced countries so that the less-developed countries move to the stage of independence. Interestingly, they have explained the interdependence between the capitalist centre and the developing periphery as mutually beneficial for both sides (ibid.: 238). Marxist scholars subscribing to the dependency theory have explained the relationship between the capitalist centre and the developing periphery as exploitative of the latter (ibid.). Andre Gunder Frank has emphasized that the primary reason for the underdevelopment of the peripheral countries is the extraction of their surplus by the capitalist centre and capitalist metros are making progress at the cost of dependent peripheral countries. Therefore, his contention is that the relations of interdependence between the capitalist metro and the underdeveloped periphery which have emerged in the post-Second World War period are a kind of neo-imperialism through which the capitalist metros are developing at the expense of the underdevelopment of the peripheral countries. This phenomenon has been called by Andre Gunder Frank as "development of the under development" (Frank, 1967).

Conclusion

Foreign aid may prove helpful for the economic development of the under-developed and developing countries during the early stages of their growth as it meets the shortage of capital, foreign exchange and technical knowledge. Yet it does not provide necessary conditions of their growth and development as development comes through indigenous efforts and not through import of capital,

¹³ Defining dependency, Lenin writes, "Not only are there two main groups of countries, those owning colonies and the colonies themselves but also the diverse forms of dependent countries which, politically, are formally independent, but in fact, are enmeshed in the net of financial and diplomatic dependency" (Chilkote, 1994: 236)

as it (development) is a process, which cannot be imported. Moreover, development depends on a variety of factors both economic and non-economic. Foreign aid may add to the supply of one or the other factors like capital, foreign exchange and even technical knowledge to a certain extent but it hardly has any solution for problems like poor human capital, hostile socio-economic values, lack of development ethos and wrong government policy.

And even if foreign aid becomes a sort of imperative for these countries, as their own resources are insufficient and they are unable to mobilize them in the short run, it should not be allowed to become a permanent feature as there are hardly any substitutes for domestic resource mobilization and domestic and foreign capital are not perfect substitutes. Moreover, it should not be allowed to become a soft option and an excuse for not taking measures that are required for resource mobilization and for the proper management of the balance of payments. That apart, in the absence of suitable political and economic policy, any amount of foreign capital will not be able to move a country on the road to development. Above all, there are serious economic and political implications of the foreign aid led growth model and, hence, a country should avoid dependence on foreign aid as far as possible.

Lastly, foreign policy implications of foreign aid are also loaded in favour of donor countries as it becomes a handy tool for promoting their political, strategic, economic and commercial interests. And more often than not, it is these interests that govern the nature, content and flow of aid.

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Of Related Interest

THE GREYING OF INDIA

Population Ageing In the Context of Asia

Rajagopal Dhar Chakraborti

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The “Poodle Theory” and the Anglo-American “Special Relationship”

Samuel Azubuike

A familiar aspect of the criticism against Britain and Prime Minister Tony Blair's staunch support for America in the recent war against Iraq most relates to the "theory" that Blair is but a mere "poodle" of George Bush, a subservient lieutenant at the beck and call of his master in Washington. A related but more perceptive criticism, shared by many scholars and analysts is the charge that Blair's subservience to Washington is a potent indication that Britain has lost its freedom of manoeuvre in foreign policy. That Britain's close diplomatic, intelligence and defence cooperation with, and dependence on, America have deprived it of the ability to oppose America. The myth of the "special relationship" has condemned Britain to the rank of a mere vassal in the American empire. However, critics may have overstated their case because Blair's choices were influenced substantially by his own strongly held political principles and convictions.

In Britain, popular impression depicts Tony Blair as George Bush's poodle;¹ a subservient lieutenant at the beck and call of his American master. This charge is, of course, particularly made in connection with Blair's total support to President Bush in the recent Iraq war. It seems a convenient explanation for Blair's unreserved loyalty to the US when a majority of British public opinion and the rest of the civilized world—including Russia, France and Germany—were critically opposed to war. The importance of this so called “poodle theory” would have been negligible if it were confined to the realm of casual gossip by ordinary people.

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¹ In a poll in February 2003, 46 per cent of those questioned agreed that Tony Blair was George Bush's poodle. See the article by Patrick Wintour, Sophie Arie, David Pickling and Giles Tremlett, *The Guardian*, 22 February 2003. In a poll earlier in January 68 per cent of respondents said they were “Not” convinced by Blair's justification for war, *The Sunday Times*, 26 January 2003. And in the same month Harold Pinter published a blistering poem attacking Blair and Bush, see *The Guardian*, 22 January 2003.

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But it now seems that even some scholars and informed analysts subscribe to this view.² This article, however, seeks to argue that the “poodle theory” is both an oversimplification and an exaggeration. It briefly notes the differing reactions of Britain’s principal European Union (EU) partners towards America’s Iraq policy and it then examines some of the serious assertions of the “poodle theory”. Taking stock of the political convictions and considerations of the pro-US policy the article suggests that Blair was not a mere puppet of the US—if anything he was guilty of mistaken conviction.

European Criticism of American Drive to War

President George W. Bush named North Korea, Iran and Iraq as an “axis of evil” in his January 2002 “State of the Union” address. America’s major European partners were aware that the memories of the 11 September 2001 attacks were still fresh, although they were concerned about the fate of their efforts to bring back Iran into the fold of the international community (*The Guardian*, 30/31 January 2002). When it became clear that the Bush Administration had targeted Iraq after Afghanistan, Europe’s attitude changed perceptibly. After all, this was an administration dominated by hardliners and neo-conservatives who had no qualms about rejecting any multilateral regimes not initiated by, or of primary benefit to, the US—from missile defence through the Kyoto protocols on global pollution and the International Criminal Court (Lind, 2003). The core unilateralist tendency of the Bush Administration was first indicated in the immediate aftermath of 11 September when the US, for various reasons, spurned NATO’s offer of immediate help under Article 5 of its founding treaty. This inclination was then made quite overt when Defence Secretary Donald Rumsfeld announced that henceforth “the mission must determine the coalition, the coalition must not determine the mission”. This was further echoed by Defence Under Secretary Paul Wolfowitz at the February 2002 Munich conference on European Security policy (Pond, 2003: 198). Among Britain’s major EU partners, the most vocal opposition to any military action against Iraq came from Germany and France. They viewed such an American drive towards war as unnecessary, unjustified and counter productive. Rather, opposition to the war was a widespread, indeed popular, phenomenon throughout Europe and most of the world.³

During the August–September 2002 election campaign, German Chancellor Gerhard Schroeder made clear his opposition to any military intervention in Iraq. Contrary to some assertions, Schroeder’s outspoken opposition was not merely “intended for domestic political consumption in a tight German election campaign”

² One significant exception is the piece by Brian Wheataker, “Poodle Power”, *The Guardian*, 17 February 2003.

³ According to one source, “an overwhelming 82 per cent” of European public were opposed to the Iraq war (Pond, 2003: 193). Also, Dumbrell (2004) cites a series of polls which demonstrate that “rising hostility to the United States, evident by 2002–2003, was a complex global phenomenon”.

(Bereuter and Lis, 2003: 148). Chancellor Schroeder stated unambiguously his *belief* that "it would be a mistake to intervene militarily in Iraq", and subsequently ruled out making German soldiers available for such intervention whether or not authorized by the UN Security Council. As he declared on 6 August, "Under my leadership, this country won't participate in any adventures." Schroeder had no doubt that the hawks in Washington were throwing their weight around and expected everyone else to fall in line to back what seemed like an American diktat. Irrked by what was seen as America's general tendency to inform rather than consult its NATO allies in the fight against terrorism, the Chancellor retorted that "consultation cannot mean that I get a phone call two hours in advance only to be told, 'we are going in'" (Larres, 2003). Accordingly, Germany joined other countries to oppose US initiatives at the UN.

If Germany's vocal opposition to American policy was somewhat unexpected, this was not the case with France. For the French since De Gaulle have tended to resent what they see as America's arrogant demeanour (De Launay, 1968). This was evident in the French views on the proposal (November 2000) to set up a European Rapid Reaction Force which was an outcome of the 1998 St Malo declaration. Unlike the British, for instance, French officials saw the European force as the military arm of an independent European foreign policy (also see Grant and Heisbourg, 2003; Grant, 2003). As early as November 1999, President Jacques Chirac had proclaimed his vision of "'a multipolar world' in which 'the [EU] itself becomes a major pole of international equilibrium', helping to balance the United States" (Bereuter and Lis, 2003: 148). From the very start, the French stance was against any precipitate American war on Iraq. President Chirac not only opposed any talk of war but, together with Foreign Minister Dominique de Villepin, actively sought to generate opposition to US policy in the Security Council and elsewhere.⁴

In contrast to the approach of France and Germany, Britain strongly stood by the US throughout the whole Iraq crisis. By lending its diplomatic weight both in the UN and elsewhere, Britain helped confer some degree of credibility and legitimacy to what would otherwise have been a virtually unilateral American invasion. As one analyst observed, for America, "Britain remains the indispensable ally for it provides international cover" for an otherwise largely all-American operation (Dobbs, 2003). It was Blair who loyally acted as the frontman for Bush, putting the case for war against Iraq with a fluency and candour that the US President could not match. The British Prime Minister not only wholly accepted Washington's version about Iraq's weapons of mass destruction (WMD), but augmented it with suitable MI6 concoctions of his own, including the fallacy of Niger's uranium supplies to Iraq, and the blatant forty-five minutes claim of the infamous "dodgy dossier".⁵ When the war finally commenced British forces were fully involved,

⁴ De Villepin's antiwar speech to the Security Council on 4 February 2003 drew an unusual round of applause in the Council.

⁵ Blair's arguments for action against Iraq were encapsulated in a BBC 1 television interview with David Frost on 26 January 2003.

and had been in control of the areas in and around Basra till recently when they were deployed in the Baghdad area. Presently the British are committed to be in Iraq as long as the new Iraqi Government wants them to be there.

By supporting the US to the hilt in the Iraqi invasion, Blair acted against the wishes of the UN, Britain's key European partners and a majority of British and European people. This is further underscored by the grim consequences of that extra-legal invasion. "Operation Iraqi Freedom" has resulted in general insecurity, violence, lawlessness, kidnappings, executions, military casualties and the deaths of innocent Iraqi civilians. In addition, the disgraceful extent of the systematic abuse of Iraqis at the Abu Ghraib prison by US forces has also been revealed. Moreover, Blair's chief moral argument for war, Iraq's stockpile/development of WMD, has been finally discredited.⁶ Besides, this fervent support of America has cost both Britain and Blair himself dear.⁷ Domestically, even though Blair has survived both the Hutton and Butler enquiries, his personal trust with the British public has rapidly diminished. In addition to the prominent ministerial/cabinet resignations, the Labour Party has suffered heavy electoral losses in local government and parliamentary by-elections. Diplomatically, Blair's support for America has alienated Britain from France and Germany. It has contributed to the division, not just of Europe, but also between Europe ("Old Europe" in Rumsfeld's words) and America. By helping to ensure that Europe did not present a united front in opposition to America, Britain contributed towards forcing even aspiring EU countries to choose between supporting their EU dream land or the US—the hyper-power NATO leader.⁸ In many ways, this episode may have consolidated the perceptions of those Europeans who are sceptical of Britain's commitment to Europe and who believe that Britain could not be a *true* European so long as its special relationship with America persists.⁹ Such perceptions are, of course, damaging to Britain's position and influence in Europe.

Claims of the "Poodle Theory"

Despite the grave situation in Iraq following the invasion, Blair has refused to differ with George Bush; he has remained as supportive as ever of the US President. The question then is what explains this resilience? Why, despite the contrary views of Britain's key EU partners, widespread popular and Parliamentary

⁶ As Opposition Leader Michael Howard charged in the House of Commons on 20 July 2004, Blair took Britain to war based on "flawed intelligence"

⁷ For a more general account of the postwar costs to Britain of the special relationship, see Azuburke, "Sugar-Coating Interest with Morality", *Political Science* (forthcoming).

⁸ Jacques Chirac famously admonished incoming and aspiring EU countries from central Europe who voiced support for US policies, remarking that "they missed a good opportunity to shut up". He also insinuated that Romania and Bulgaria might have jeopardized their EU aspirations. Vinocur (2003)

⁹ See Rachman (2001). As Charles Grant, Director of the London-based Centre for European Reform, notes, "The Europeans do not see Britain as a trustworthy partner anymore" (Hoge, 2003)

opposition and the predictable risks and costs, did Blair obstinately follow Bush into war against Iraq? Is it because Blair simply *could not* say "No" to Washington and is therefore a mere subservient poodle? Has Britain now become almost a helpless vassal of the United States? This section will refer to some specific criticisms of Blair's Iraq diplomacy.

The accusation that Blair was a subservient American lieutenant came from, among others, ex-Foreign Secretary Robin Cook. Cook opposed the war from the beginning and finally resigned from the Cabinet days before the war began in March 2003. Virtually accusing Blair of bad faith, Cook maintained that "both Tony Blair and George Bush were determined that the confrontation should end in invasion". The poodle charge became apparent when Cook noted that, "Tony's attempt to wrap himself in the UN flag is fatally hobbled by his *inability* to say that the UN will have the last word". And in a wry parody of Blair's celebrated view that Britain should be a bridge between Europe and America, Cook remarked: "A bridge cannot make choices" (Cook, 2003).

Other bitterenotics of Blair were harshly written by former British ambassador in Moscow and chairman of the Joint Intelligence Committee, Rodric Braithwaite, Alex Danchev, a perennial critic of the concept of the Anglo-American "special relationship". Braithwaite's criticism is centred on the damage the Iraq war has done to British interests in Europe and the Muslim world. He notes that British diplomacy has been emasculated by the adherence and commitment to the "special relationship". Such a relationship, he argues, has become a liability, reducing Britain's freedom of manoeuvre in foreign policy "to the point that we are now widely seen as incapable of having a mind of our own". This relationship has now robbed Britain of that most "basic principle of negotiation" that is, the ability to say no (to the Americans) and threaten, if necessary, to "walk away from the table". For Braithwaite, the reason for this inability and Blair's apparent helplessness is simple: it is principally because of Britain's diplomatic, military and intelligence cooperation with and dependence on the US. Hence, "inside the British establishment, the special relationship is now supported only by prime ministers, submariners, and codebreakers [who] have been loath to contemplate" any rift with the US (Braithwaite, 2003). Alex Danchev's argument centres on the absurdity of the long-held claim that the "special relationship" is essential because it provides some leverage to Britain in its relationship with the US and enables it to offer wise advice and guidance to the Americans in the exercise of their vast powers. For Danchev, the reality, as the diplomacy leading to the Iraq war has demonstrated, is that unlike many other great nations of the world, Britain is fast degenerating into a mere "modern vassal" of the United States (Danchev, 2003). Another critical denunciation of Blair's Iraq policy is by journalist and author Geoffrey Wheatcroft. Like Robin Cook, Wheatcroft observes that despite Blair's UN manoeuvrings and efforts to justify the war in Britain, he knew the decision to invade Iraq was already taken and had no choice but to support it. That it was during Blair's April 2002 visit to meet Bush in Texas "that the decision for war was communicated to Blair, along with the ostensible reasons he would be expected

to advance". The Bush Administration's determination to invade Iraq, Wheatcroft argues, may not have anything to do with 11 September. But "whatever the ulterior motives in Washington, Blair's motive was his conviction—his only real foreign policy—that he must support the US at all times".¹⁰ In an earlier article criticising the sheer onesidedness of the Anglo-American relationship, Wheatcroft had observed that "the sad truth" behind Blair's support of Washington "is that Blair is the last victim of an illusion which has long bedevilled British policy, the myth of the 'special relationship'". He ridicules Britain's compulsive support of America thus: "'My country right or wrong' is bad enough, but 'your country right or wrong' is barely sane".¹¹

The implication or fact that Blair perhaps supported Washington despite his own better judgement, or that he remained subservient even when it was clear to him that Washington ought to be opposed, seems an overstatement. Before examining some evidence of Blair's motive, let us first, briefly, discuss the "special relationship".

The "Special Relationship" with America

The debate about the "specialness" of the Anglo-American "special relationship" has drawn the attention of many scholars (Baylis, 1998; Danchev, 1998; Reynolds, 1985). While the term "special relationship" may be conceptually inappropriate, its connotation is less ambiguous. While it is common to trace its origin back to the Anglo-American rapprochement at the turn of the nineteenth/twentieth century,¹² it is usually taken to have originated in the unprecedentedly close alliance during the Second World War (Allen, 1954; Anderson, 1981; Perkins, 1969). That alliance began as one between relatively equal partners facing a common fascist threat and transformed afterwards into a close cooperation against the Communist threat. By the mid-course of the wartime partnership, however, the balance of power within the alliance had shifted considerably in favour of the US. While America emerged from the war as a super power, Britain became economically weak and faced decline. As former Principal Deputy Under Secretary of Defence for Policy Jan Lodal boasted: "Virtually no conceivable combination of powers can challenge America's conventional military might. The economic strength of the United States touches every corner of the earth. Its veto over almost every major multilateral institution means that no concerted action can be taken without America's agreement (Lodal, 2001: 119). The British found it increasingly necessary to attach themselves closely to the Americans. This way, the British hoped to be able to influence the direction of US foreign policy, and thus use American power to promote British interests and influence. This objective gave a new meaning to the *British notion* of a "special relationship" with America. In this

¹⁰ "The Iraq War is the Suez of Our Time", *The Guardian*, 24 February 2004

¹¹ "A Relationship that is now—Your Country Right or Wrong", *The Guardian*, 27 January 2003

¹² The rapprochement, some argue, was facilitated by common cultural heritage and Anglo-Saxon racial sentiment.

sense, the "special relationship" has been, as Reynolds notes, "a deliberate British creation—a 'tradition' invented as a tool of diplomacy". It has been "a device used by a declining power for trying to harness a rising power to service its own ends (Baylis, 1998: 119–25; Reynolds, 1985: 2). The cultivation of American friendship has, however, entailed certain sacrifices and constraints for Britain. Britain has always sought to avoid public confrontation with America; instead, it actively supports it openly while manipulating and trying to influence in private. The British diplomatic motto has become, in effect, "never say 'No', say 'Yes, but'" (Reynolds, 1988: 98). This tendency has created or re-inforced the image of British obsequiousness to the US.

Of course, the "special relationship" has been enriched by shared history, ideology and a socio-cultural and linguistic heritage. However, even after the Cold War, what sets the Anglo-American "special relationship" apart from America's special relations with say, Israel or South Korea, is the degree of intimate collaboration in the diplomatic, intelligence, defence and especially nuclear fields. Britain has a permanent seat at the UN Security Council and America could always count on British support there. Britain also provides important and secure military bases and sites for crucial intelligence gathering facilities for the US. On the other hand, Britain's nuclear power status, its nuclear arsenal from the Polaris to the Trident submarines is dependent on American technology. Without Britain's privileged access to the American technology (no other country receives this), British nuclear deterrence would become almost useless for the effectiveness of British submarines depends on American ballistic rockets, cruise missiles, guiding systems and intelligence (Baylis, 1984; Campbell, 1986; Clark, 1994; Dumbrell, 2001). This close relationship, as critics argue, appears to have imposed constraints on British diplomacy as the British seem unwilling to openly confront or antagonize America. In fact, British interest has come to be regarded as synonymous with support for American policies. While these political and strategic constraints could have made it difficult for Britain to oppose the US invasion of Iraq, Blair, just like Harold Wilson during the Vietnam War, could still have offered broad verbal support without committing the British "Black Watch" fight in Iraq alongwith US forces.

Britain's very close diplomatic, intelligence and defence cooperation with the US made any rift or confrontation with the US undesirable. This, as shown, is understandable as there is as yet no immediate alternative to Britain's dependence on America in the field of defence (especially nuclear) (Martin and Garnett, 1997). America's dominant power, especially its military supremacy, is an empirical reality. In terms of defence expenditure, the US spent "more than \$1 billion daily in 2002–2003", while "the European NATO allies' combined budget fell to about \$159 billion in 2001" (Nelson, 2002: 56).

Unless you are actually saying 'Stop the world, we want to get off', there isn't anything that can be done about the fact that America has this power. The question is how do we relate to America in the most constructive way possible and what influence can we bring to bear to ensure that this power is used for the better? (*The Observer*, 16 November 2003).

Thus, the belief that British interest is best served by closeness with the US has survived over decades, and has remained central to British foreign policy and conception of the "special relationship" (Danchev, 2003; Reynolds, 1985). This "tradition" has continued under Blair. David Manning, Blair's former foreign policy advisor and later ambassador to Washington, has given expression to this by advancing what is regarded as the "guiding principle" of British foreign policy. This principle reflects essentially the familiar policy of overt support for the US, moderated by private candour. In Manning's words: "At the best of times, Britain's influence on the US is limited. But the only way we exercise that influence is by attaching ourselves firmly to them and avoiding public criticism wherever possible" (Kampfner, 2003: 17). This pervasive guiding principle could have influenced British policy towards the support of US objectives with regard to Iraq. But there is a clear indication that the extent of Blair's personal commitment to supporting America, and the magnitude of that support—culminating in the risky, controversial and costly participation in the invasion—was substantially driven by Blair's own convictions.

World after 11 September Attacks: Blair's Beliefs

Quizzed by media representatives about his loyalty to Bush Prime Minister Blair once retorted, "It's worse than you think, I believe in it" (Kampfner, 2003: 279). This remark seems quite apt. For the broad issues upon which Blair has evinced so much support for Bush coincide significantly with the views and conceptions that Blair had begun to postulate even before Bush came to power. The events of 11 September, however, lent fresh credibility to those principles which were amply reflected in Blair's subsequent actions including, of course, with regard to Iraq. As early as April 1999, in the context of the conflict over Kosovo, Blair had enunciated his "doctrine of international community". In that landmark Chicago speech, Blair articulated his belief that where justified by a compelling humanitarian argument, the international community should have the moral duty to intervene in sovereign states to prevent or stop gross human rights violation (also see Riddell, 2003: 105–6). This liberal internationalism or ethical interventionism meant that, contrary to the Foreign Office's policy of diplomatic neutrality in the Balkan crisis, Blair "saw Kosovo as a matter of right and wrong" and "acted on that".¹³ This moralistic instinct thus helped justify NATO's massive intervention in Yugoslavia, and shaped British intervention in Sierra Leone.

For Blair, the appalling attacks of 11 September seemed to bring into sharp focus these deeply held beliefs. He sought to seize the occasion to not only mobilize international support for America's inevitable retaliation but also to further expand and advance his principles. In this regard, Blair also sought to enlist the Bush Administration that believed in unilateralism for the preservation of the liberal

¹³ James Rubin, former assistant secretary of state, Warren Hoge, "Blair's Stand on Iraq Costs Him Popularity at Home" *The New York Times*, 26 January 2003

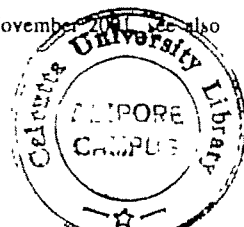
order and by way of providing leadership on economic and security issues. In the aftermath of 11 September Blair argued that concerted effort was necessary for eliminating the root causes of terrorism which included poverty, political oppression and injustice, and failed states. The Prime Minister harped on this issue in some of his most passionate speeches including speeches in October 2001 to the Welsh Assembly, to the Labour Party Conference in Brighton and at Lord Mayor's banquet in November.

In the November speech Blair indicated that the crisis had underlined the need for "engagement not isolationism as the only serious foreign policy" option, and provided an opportunity for "us to show we are as committed to alleviating human suffering as the Taliban are to creating it". Moreover, the war against terrorism "needs to be a series of political actions designed to remove the conditions under which such acts of evil can flourish and be tolerated". Blair urged his audience to "make a leap of imagination from this grand hall and splendid banquet" to the frustrations in the streets of the Arab world to ponder "the accusations from the Arab world of double standard" in the West Asian peace process; and to reflect on the "grinding poverty" and "pandemic disease in Africa". In all these places, the "dragon's teeth are planted in the fertile soil of wrongs unrighted, of disputes left to fester for years or even decades, of failed states, of poverty and deprivation". The solution Blair proffered was his "doctrine or idea of international community, where we took a more active and interventionist role in solving the world's problems". Auspiciously, 11 September "has not just given impetus and urgency to such solutions, it has opened the world up".¹⁴

Hence, when the US targeted Iraq after Afghanistan, the question for Blair was not whether intervention was justified; rather, it was the need to multilateralize such action through the UN. On 2 October 2001, Blair had declared that 11 September "had shaken" the international "kaleidoscope", before the pieces re-settled "let us re-order the world around us" (Riddell, 2003: 145). And in March 2003, prior to the Iraq invasion, Blair was informing the House of Commons that 11 September "will determine the pattern of international politics for the next generation" (Shawcross, 2003: 50). This notwithstanding the failure to establish any direct links between al-Qaeda and the regime of Saddam Hussein. With the Taliban vanquished, the political reordering of Afghanistan had already begun; the same would be the case for Iraq, Blair perhaps believed, if Saddam Hussein's dictatorial regime were dethroned.

After 11 September, the perilous possibility of WMD falling into the hands of terrorists became an obsession with Blair. Although with hindsight the existence of WMD in Iraq was not a "slam dunk" case, Blair did seem to believe that they either existed or were being developed. In addition, Blair firmly believed that Saddam Hussein (described by Blair as "a serial sinner") was completely evil and, therefore, a source of misery to Iraqis and a danger to the region. He was,

¹⁴ Blair's speech at the Lord Mayor's banquet, *The Guardian*, 13 November 2001. See also Azubuike, 2003



therefore, convinced that WMD in the hands of such a tyrant were a threat to world peace. In his March 2004 speech on global terror, Blair advanced the case for militarized democracy-promotion, and argued that it was the duty of all democratic countries after 11 September to act not just to mitigate but “to eliminate” the terrorist threat (*The Guardian*, 6 march 2004). Thus, the Prime Minister was neither a mindless poodle of President Bush nor a sudden convert to Washington’s aggressive anti-terror campaign. As one informed critic observed, considering the risks to his political fortunes at home and the dangers to British relations with the EU, “there was no doubting that Blair was acting out of principle” and “is motivated by sincere conviction”. Blair actually responded to charges of being Bush’s obedient lapdog by saying that “if the president had not acted on Iraq, he would have urged him to do so”.¹⁵

As mentioned earlier in supporting America Blair’s principal concern, was to obtain UN backing for any military action—not the inherent rightness of the action. Earlier, in a speech to British ambassadors in London on 7 January 2003 Blair, while enunciating the principles of British foreign policy, indicated some of the reasons for the British backing of the US policy. The first principle was that “we should remain the closest ally of the US, and as allies influence them to continue broadening their agenda”. According to Blair, Britain was, and should remain, an ally of the US, not simply because it was powerful “but because we share their values”, and “the US are a force for good”. Blair argued that it was “massively in our interest to remain close allies. Bluntly there are not many countries who wouldn’t wish for the same relationship as we have with the US, and that includes most of the ones most critical of it in public”. Blair also stated that such closeness was a *sine qua non* for British influence in Washington. In the context of Iraq, Blair noted:

The price of British influence is not, as some would have it, that we have, obediently, to do what the US asks. I would never commit British troops to a war I thought was wrong or unnecessary. Where we disagree, as over Kyoto, we disagree. But the price of influence is that we do not leave the US to face the tricky issues alone.... America should not be forced to take this issue on alone. Of course it should go through the UN—that was our wish and what the US did (*The Guardian*, 7 January 2003).

The Limits of British Influence

Another way of addressing the poodle question is to examine the influence claim, for what it is worth. What actually did Blair’s loyalty achieve? Did the US really go through the UN because that was the British wish? The full extent of Blair’s

¹⁵ A. Kupchan, Director of Europe Studies, Council on Foreign Relations, Washington; quoted in Warren Hoge “Blair’s Stand on Iraq Costs Him Popularity at Home”, *The New York Times*, 26 January 2003

influence may not be entirely known now, but one can perhaps conclude that it was not much. After all, Blair's UN diplomacy impressed neither Vice President Dick Cheney nor Defence Secretary Donald Rumsfeld¹⁶ and ultimately failed. Similarly, his bridge-building efforts between Europe and America did not succeed. Further, his hopes and desire to use British support to accelerate the resolution of the Israeli–Palestinian conflict were belied. According to one author, "Blair may have had the President's ear, and an 'in at court' in Washington, but he was not able to influence US policy (particularly on the Israel-Palestine issue)" (Heseler, 2004: 54). As another critic put it:

Blair's devoted loyalty the autumn before last was shortly rewarded by a US tariff designed to destroy what's left of the British steel industry. And if the prime minister really enjoyed the influence he claims, then Washington would have backed his pet scheme for an Israeli-Palestinian peace conference, at least to the extent of telling Sharon to let the Palestinians come to London. Nothing of the kind happened (*The Guardian*, 27 January 2003).

These observations are undeniably valid. But influence does not imply prescription or veto. The Anglo-American relationship, despite its "specialness", remains a relationship between two sovereign states with differing and changing priorities. Hence whatever else the "special relationship" might mean, as David Reynolds stresses, it "clearly cannot connote perfection or pure harmony" (Reynolds, 1985: 3). The US is a sovereign nation concerned primarily with its own national interests and its decision making process involves a complex web of competing views and interests. The Israeli–Palestinian question, for instance, has been a tricky, thorny issue even for US presidents for the powerful Jewish lobby has ensured that issues considered vital to Israeli survival and security remain an area where there is no scope for compromise. Even though Blair did not achieve the impact he envisaged, he did, nonetheless, have some limited influence.

The most obvious achievement, of course, is that Blair's loyalty has reconfirmed Britain as America's principal ally. And, although very much a junior partner, Britain has established its position at the centre of events and developments in Iraq. Blair's efforts have ensured that though a middle ranking power, Britain has continued to assume the stature of a significant world power, positioned at the centre rather than the periphery of important world events. As per a senior Washington official, "For a long time Britain was considered a middleweight power. I would now call the British a light-heavyweight in terms of global reach and global influence. That is because of the close association with the Americans" (Dobbs, 2003). It can, of course, be argued that such a posture is but an act of national self-delusion. But for most British policy makers, including Blair, there are considerable advantages in being seen as the "closest ally" of the world's sole super power. For images still count very much in international politics (Jervis, 1970).

¹⁶ Wintour and Kettle, 2003.

The other, perhaps more, important impact was Blair's probable influence in persuading Bush to respect multilateralism on the Iraq issue by taking the UN into confidence. Blair was not exaggerating when he was quoted to have remarked that going through the UN "was our wish and what the US did". First, it was no secret that the most influential members of the Bush Administration were unilateralist, inward-looking, ideologically-driven neo-conservatives obsessed with American omnipotence and focused on The Project for the New American Century (Lind, 2003). For these hardliners, the post-11 September war on terror was not the occasion for America to reach out to friends and allies, on the contrary it was an opportunity to warn the world, "you are either with us or with the terrorists". With regard to Iraq, it was to *warn* the UN to back US policy or risk becoming irrelevant.

In view of this, probably the most significant impact of Blair's was to strengthen the case of those members of the Bush Administration who were inclined to multilateralize the process by going through the UN channel, rather than embarking on a precipitate attack on Iraq. Although Secretary of State Colin Powell underplayed talk of a "Powell-Blair axis", the Secretary's position that Iraq should be given a "final chance", through the UN, to comply with its disarmament obligations corresponded with Blair's own policy. Powell, however, acknowledged that "the British had played a key role in drafting Security Council Resolution 1441" which led to the return of UN inspectors to Iraq. "The British", he stated, "brought specific requirements to the table that we had to accommodate.... Long before I went after the others, I had to deal with British concerns and British interests" (Dobbs, 2003). Shortly before the invasion, National Security Adviser Condoleezza Rice's deputy, Stephen Hadley, reportedly said that whereas Washington considered a second UN resolution authorizing military action unnecessary, it respected Blair's domestic need for one (Kitfield, 2003).

Further, it ought to be noted that although Blair was committed to backing US military action—preferably with UN authorization—he did not in reality push Britain into a corner, leaving no room for manoeuvre. By championing the UN route Blair was, perhaps, also trying to ensure that any possible military action would not be seen to be dictated simply by American will or whim. As he stated: "It would be more damaging to long-term world peace if the Americans alone defeated Saddam than if they had international support." On the other hand, even though Blair was convinced that the military option was right, he had no illusion that the UN route might be short-circuited by those who did not share his "sincere conviction". Therefore, Blair was determined to, if necessary, do what he believed was "right" even without UN authorization. In a BBC television interview in late January 2003, Blair stated that there was "only one set of circumstances" under which Britain would go to war with Iraq without a UN resolution. First, UN weapons inspectors would have to state that Saddam was not cooperating and was therefore "in breach" of his international obligations. Second, a permanent Security Council member would have to "unreasonably" exercise its right of veto and block a new resolution (Dobbs, 2003). In the event, Jacques Chirac's rather

unguarded declaration of French intention to veto any such resolution provided Blair and Bush a handy excuse for immediate invasion.

Thus, though limited, the claim of influence is not entirely unfounded. Even Robin Cook, who was not particularly in agreement with Blair, acknowledged his influence in Bush's reluctant embrace of the UN route. Cook thus credited Blair with "persuading President Bush to delay the attack long enough for UN inspectors to go in" (Cook, 2003: 309, 311). Indeed other prominent Americans, besides administration officials like Powell and Hadley, also acknowledged the not insignificant impact and influence of Blair. For instance, Zbigniew Brzezinski, President Jimmy Carter's National Security Advisor noted that, "Blair has played a very smart game, supporting us to the hilt publicly, but cautioning us in private." Former NATO Commander, General Wesley Clark, observed that, "Blair has been an important factor in assisting the President to rebut the charges of blustering unilateralism" (Dobbs, 2003). Former President, Bill Clinton, also gave Blair credit for UN Resolution 1441, noting that Blair saw it as a chance to strengthen the UN as well as to preserve the Atlantic Alliance (all of which, it must be added, Blair failed to accomplish). Speaking at the 2002 Labour Party Conference, Clinton, who had enjoyed a close relationship with Blair during his term, spoke of his confidence about Blair's influence in restraining Bush from any precipitate attack on Iraq. He observed that Blair's consistent bullish attitude on Iraq and the need to deal with the threat from Saddam Hussein would make him "quite effective behind the scenes" as America's policy on war with Iraq unfolded.¹⁷ Such endorsement from a great American politician who in no way was in agreement with neo-conservatives, tends to support the view that Blair was not merely a subservient poodle. While marginally influential in the diplomacy leading up to the actual invasion, Britain's influence in the still-evolving reordering of Iraq, however, remains to be seen.

To re-emphasize, the argument that Blair's close support for Bush lent Britain some limited influence in Washington's Iraq policy did not imply that Britain's advice was decisive or that the Americans were completely oblivious to the wisdom of the multilateral option. Neither did it mean that British views or Blair's UN efforts were appreciated by all in the Bush Administration. Indeed, throughout the post-war history of the special relationship, from the Skybolt crisis through the Falklands conflict and the recent Iraq war, there have been strands within US administrations that are unsympathetic to Britain. These sections have always sought to underplay the Anglo-American partnership. For instance, when at the Nassau Summit of December 1962 President Kennedy agreed to provide Britain with Polaris missiles on preferential terms, it was against stiff opposition from a section of his administration. George Ball, one of the State Department officials advising Kennedy, later argued that, "the President had been seduced at Nassau

¹⁷ See Bill Clinton, "Trust Tony's Judgement", *The Guardian*, 18 March 2003, George Jones, "Blair has Key Role over Iraq-Clinton", *Daily Telegraph*, 3 October 2002; James Fallows, "Post-President for Life", *The Atlantic Monthly*, March 2003.

by 'the emotional baggage of the special relationship' which, in his view had got in the way of cooler judgement". He further argued that US interests in both a strong and united Europe and the prevention of nuclear proliferation "have been harmed by the overzealous support for the partnership with Britain, especially in the defence field" (Baylis, 1998: 129, Ball, 1968: 93). Also, during the Falklands crisis, Secretary of State Alexander Haig was reluctant to provide full support to Britain while Jeane Kirkpatrick, the American ambassador to the UN, was totally opposed to any support of Britain against Argentina, arguing that such support would damage US interests in Latin America, especially in the fight against communism (Bartlett, 1992; Dobson, 1995).

However, the voice that ultimately counts in the American executive decision making process, is that of the President. The recent Iraq war is a case in point. Although Vice President Cheney was unenthusiastic, if not hostile, to Blair's effort to get UN authorization, and Rumsfeld asserted that America was quite capable of invading Iraq without Britain, and that Britain's role was "unclear", (Sylvester, 2003) President Bush endorsed neither of these positions. Bush was prepared to give the UN route favoured by Britain and the State Department a chance. Besides, Rumsfeld's remarks received no popular support as in a poll shortly before the war on Iraq, the National Council indicated that about 77 per cent of all Americans felt "we absolutely need" to have British support in the event of war in Iraq (Harding, 2003). Commenting on the value of Britain to America, presidential historian Michael Beschloss observed: "Each side needs the other." "For us to be on the other side of Britain on an issue like Iraq would be very hard for an American president. It is one thing for France and Germany to be on the other side, but if Britain was on the other side, that would create doubts among the American people" (Dobbs, 2003).

Conclusion

When Blair came to power in 1997, his government was ridiculed for its apparent obsession with "spinning" and the tendency to measure policies by their popular appeal. But in the run up to the Iraq war, as columnist Andrew Rawnsley observed, Blair, "so often in the past depicted and reviled as mesmerized by focus groups and enslaved to opinion polls" was criticized for supporting the US against the grain of public opinion (*The Observer*, 26 January 2003). Blair, as one group of critics noted, "would have won much popularity within his own party, and within the British public for listening to the focus groups and resisting the request to join the coalition of the willing". These critics argued that there "were no economic and financial pressures which the US can exert to bend Britain to its will", as it did at the time of Suez. "There was no significant political or ideological pressure from within Britain to play this role—rather the reverse." Moreover, there were "no significant economic interests for Britain to protect if it joined in the invasion of Iraq. British oil companies stood to lose more than they gained." So why did

Tony Blair decide to offer such unwavering support to the US? According to these critics, one popular solution to the conundrum "was the poodle theory". Apparently, "at some point in 2003 Tony Blair took the decision to support the US in attacking Iraq", while seeking to ensure that every effort be made to involve the UN. But "the key to British policy was that Britain had decided that if the Americans chose to invade, Britain would support them. America right or wrong would continue to be the linchpin of British foreign policy."¹⁸

This article has, however, tried to argue that the "poodle theory" is simplistic and, at best, over stated. A fundamental factor in Blair's resilient subservience is that Blair was (and remains) deeply convinced of the rightness of the course of action that he and Bush have pursued. For Blair, Saddam's Iraq was symptomatic, even prototypical, of the kind of unjust and inhuman political phenomena that is the moral duty of the international community to combat. Paradoxically, *conviction* is not *rightness*. While Blair is convinced of the rightness of his actions, the majority of world opinion and most importantly subsequent developments in Iraq have shown that he is probably wrong. The fact remains that despite the contrary arguments provided by both Blair and Bush the Iraq war was fought without explicit UN authorization. This is the view of UN Secretary General Kofi Annan, who in a forthright interview broadcast by BBC in September 2004 declared: "From our point of view and from the Charter point of view, it [the war] was illegal." In fact, Mr Annan has always had this view. Only days before the invasion in March 2003, he had hinted at this when he had said that without a second UN resolution the "war's legitimacy will be questioned and the support for it will be diminished". Then in September he went further and stated that pre-emptive strikes "could set precedents for the proliferation of the unilateral and lawless use of force".¹⁹ This viewpoint is shared by ex-Soviet President, Mikhail Gorbachev who remarked in London in September 2004 that the Iraq war "is a mistake", and that all possible political and diplomatic channels for solving the problem were not exhausted.²⁰

An analysis of the Iraq war would reveal certain facts. There was no proven link between the Saddam Hussein regime and al-Qaeda; Britain's case for war was based on flawed, questionable intelligence; and no WMD—stockpile or programme—did exist in Iraq. Moreover, Iraq has become a more violent, more dangerous and more insecure place, and a more fertile breeding ground for "terrorists" following the invasion. Therefore, the invasion of Iraq was probably wrong. But Tony Blair *believed*, perhaps mistakenly, that he was doing the right thing.

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¹⁸ Editor's Commentary, "The Fallout from Iraq", *Political Quarterly*, vol. 75, no. 3, July 2004, pp. 209–12.

¹⁹ "Leader The War was Illegal", *The Guardian*, 17 September 2004.

²⁰ Gorbachev's interview with Jon Snow, Channel 4 News, 23 September 2004.

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INDIGENEITY AND UNIVERSALITY

A South Asian Response

PARTHA NATH MUKHERJI & CHANDAN SENGUPTA

This volume emerged out of the need for an indigeneous strengthening of the social sciences. It focuses on the importance and urgency of indigenising the social sciences in order to make them more universal, which is the goal of the science.

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Political Empowerment of Women in Soviet Union and Russia: Ideology and Implementation

Usha K.B.

The Marxist-Leninist ideology on the "women question" and the Soviet legal guarantees created the gender paradox which despite high levels of achievement in education and employment reflected lower representation of women in political institutions. This is a legacy of the Soviet system which contemporary Russia needs to address while meeting the challenges of political empowerment as part of the democratic transition. Due to international interventions and the globalization of gender mainstreaming, the Russian Government introduced measures for empowering women politically. Notably, however, the changes brought in by the democratic transition in Russia have had a negative impact on aspects of gender equality. Given the cultural/structural attitudinal changes and the problems of daily lives and the male dominated political culture, the success of these policies partly depends on the capability of Russian women to meet challenges through new forms of struggles for transforming the political process in their favour.

Political empowerment is one of the fundamental challenges which women across the world, including those in Russia are confronting in the twenty-first century. Russian efforts towards the political empowerment of women show a paradox which in fact is a legacy of the Soviet system. This paradox is that in spite of high levels of empowerment in terms of education and employment, women have not gained powerful positions in decision making bodies. When the Soviet State was founded it was believed that the socialist welfare system would establish gender equality. Hence, the Soviet State formulated constitutional law as a comprehensive legislation that addressed a variety of women's civil, political, economic and social rights by drawing on the ideology of Marxism-Leninism. However, in practice it did not result in gender representation and participation in political decision making. Instead, the Soviet State itself remained a source of disempowerment of women with respect to leadership positions in politics as it continued to sustain a male-dominated political culture.

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Even the new socio-political structure that came up during post-Soviet Russia's transition from communism to democracy was equally unfavourable to women's needs for greater representation. The patriarchal elements in society were further strengthened with the revival of the church's role and the traditional "Mother Russia" image. Social attitudes of differentiated gender roles and identities were also reinforced. Women remained marginalized due to a hierarchical and stereotyped conception of sexes. However, certain new opportunities were available to women which they could use to fight for their rights and pressurize the government to take policy initiatives. The support of global feminist movements and networks came as a big help for Russian women in their struggle for empowerment and the Russian Government was compelled to incorporate women's empowerment as part of its policy.

The problem of emancipation of Soviet women is assumed in this article as part of the empowerment paradigm comprising many components of the ideological concept. The first part of this article addresses some of these aspects. The second and third parts describe the Soviet experience—state policies and their outcomes in terms of women's political participation—during pre-*perestroika* and *perestroika* periods respectively. The fourth part examines the challenges and opportunities for political empowerment of women in the context of the democratic transition during the periods of Boris Yeltsin and Vladimir Putin.

The Marxist concept of male-female equality is generally called the "woman question", as explained by Barnett.¹ Marxian theory on the "woman question" found that the oppression of women started only after there was economic surplus, private property was accumulated and the state began to originate. Marx and Engels stated: "The change in a historical era can always be determined by the progress of women towards freedom, for the victory of human nature is most evident in the relation of women to men, of the weak to the strong. The degree of the emancipation of women is the natural measure of general emancipation" (Beecher and Bienvenu, 1971; Meyer, 1978: 88). They identified certain important strategies for facilitating the emancipation of women and ensuring their equal participation in economic, political and social life.

Marx and Engels argued that where capitalism exists men would retain their privileges over women. Even where political liberty exists, women will be in a position of double slavery since workers live in poverty and wage slavery. They also found that the process of production and reproduction is inter-related in a

¹ The discourse about the ways to increase women's political participation, improve their status vis-à-vis traditional institution, and achieve sexual equality is generally known as the women's question. Hilaire Barnett says, "The woman question demands explanations for women's exclusion from all areas of life: it demands justification from those who perpetuate women's exclusion. The woman question asks why is it that despite more or less equal employment opportunities, it is still women who undertake the child rearing and domestic responsibilities, within the home? . . . The woman question also asks how politicians, in their role of law makers, construct the image of woman in law" (1988: 20). All these questions posed by Barnett are applicable also to the Russian situation today.

capitalist society. So, the nature of the unit of reproduction in the family is transformed according to the changes in the process of production and in the relations of production. Thus, they identify the inter-relation between class struggle and the struggle against the oppression of women. Hence, according to Marxism, not gender but class causes women's oppression. The way to rectify women's oppression lies in providing them with real equality in the political, social, economic and cultural spheres, and this is possible only by the socialist reorganization of society through a class struggle (Trukan, 1977: 66). Marx and Engels insisted that economic independence alone could provide the basis for full gender equality. An economic class struggle has primacy over gender struggles and the oppression of women under capitalism will be overcome with the movement to socialism (Hearn, 1991: 236). Thus, the Marxist idea of political power assumed that the victory of a socialist revolution would lead to the establishment of the final and ideal society in which there would be no further class revolutions because of the absence of an oppressed class to rebel against it (Elcock, 2001: 4). Hence, there will not arise any need for women to fight separately for their rights in the socialist or communist society. In short, the idea is that the victory of the socialist revolution will automatically lead to gender equality.

In their analysis of women's oppression, Marx and Engels saw the family as the first place of oppression of women. While Marx traced oppression to the unequal distribution of labour and male control of women and children in the family, Engels found the root of inequality in the patriarchal character of the family. Engels argued that female slavery and exploitation appears with the monogamous family, which is patriarchal. He said:

The modern individual family is based on the open or distinguished domestic enslavement of women; and modern society is a mass composed solely of individual families as its molecules. Today, in the great majority of cases, the man has to be the earner, the breadwinner of the family, at least among propertied classes, and this gives him a dominating position, which requires no special legal privileges. In the family, he represents the bourgeois; the wife represents the proletariat (Engels, 1977: 74).²

Marx and Engels saw that the bourgeois perception of wife as a mere instrument of production was the cause of the fall of the status of women (Marx and Engels, 1978: 70). They argued that the abolition of private property that would permit the development of a genuine egalitarian relationship between the sexes based on emotional gratification, not on material calculation, would end this gender exploitation.

² In this work, referring to the unpublished version of his joint work with Marx, *The German Ideology*, he states: "The first division of labour is that between man and woman for child breeding" Engels further adds here. "The first class antagonism which appears in history coincides with the development of antagonism between man and woman in monogamous marriage, and the first class oppression with that of the female sex by the male" (pp 65-66)

Marx acknowledged that the distribution of labour and its products is unequal within the family because the man has control over women and children and can do what he wishes with their labour and reproductive powers. Regarding the imposition of labour role, Marx and Engels wrote in *German Ideology* that division of labour is alien.³ Women were also forced to withstand the worst of such an alien imposition of the role. They got the household jobs of cooking, child rearing and housekeeping at home and feminine jobs outdoors (Marx and Engels, 1978). The liberation of women from domestic labour and patriarchal control is possible by converting household and reproductive roles to social responsibilities. According to Marx and Engels, liberating women from the handicraft production of household is a precondition for their emancipation (Kaplan, 1974: 264). To this end, the abolition of private property is necessary. Engels predicted that when public ownership comes into existence, there would be complete equality of both the genders. He asserted in his correspondence with associates: "Real equality of women and men can become a fact only when the exploitation of either by capital has been abolished and private housework has been transformed into a public industry."⁴

Considering Marxist ideas, Lenin argued for creating an enabling environment in which women would be truly free. He advocated, "In order to achieve the complete emancipation of women and to make them really equal with men, we must have social economy, and the participation of women in general productive labour" (Lenin, 1965: 371). Lenin said that it was impossible to bring the full equality of women or to make them actually participate in the building up of a new society without the involvement of state administration and without developing their social and political activities (ibid). The point Lenin wanted to make clear was that political participation is the most important factor in women's liberation. Regarding drawing women into politics, Lenin asserted:

You cannot draw the masses into politics without drawing in the women as well. For, under capitalism the female half of the human race is doubly oppressed. The working women and peasant women are oppressed by the capital, but over and above that, even in the most democratic of the bourgeois republics, they remain firstly deprived of some rights because the law does not give them equality with men (ibid.: 1965: 161).

Lenin's motto was to make all "kitchen maids as stateswomen". Kollontai considered women's emancipation as an integral part of the proletarian revolution. Participating in the first international socialist women's conference in Stuttgart in 1907, he said:

³ Karl Marx and Frederick Engels, cited in Easton and Guddat (1967: 424). Marx and Engels wrote, "The division of labour offers us the first example for the fact that man's own act becomes an alien power opposed to him as long as man remains in natural society. For as soon as labour is distributed, each person has a particular, exclusive area of activity which is imposed on him and from which he cannot escape."

⁴ "Engels to Gertrud Guillaume Schack in Beuthen about 5 July 1885," *Selected Correspondence* (Moscow: Progress Publishers, 1975), p. 364.

The struggle to achieve political equality for *proletarian women* is part and parcel of the overall class struggle of the proletariat; when it becomes an independent militant aim in itself, it eclipses the class objectives of women workers ... In resolutely and consistently defending the interests of the women of its own class ... Social-Democracy is putting into practice the principles of the fullest form of democracy and promoting the success of the women's cause as a whole (Kollontai, 1984).

Marxism and Women's Empowerment

Women's empowerment challenges the patriarchal power relations and any norms and structures that support patriarchy. Empowerment is a transformation process that seeks changes at four levels: individual, community, organization and society. This social process needs individual as well as collective action and does not occur in isolation. Empowerment¹ is also a multi-dimensional, context specific and dynamic process. The core of the concept of empowerment lies in the ability of the woman to control her own destiny, that is, the agency aspect. A woman herself acts as an agent in this process of change. This is a departure from the concept of empowerment in Marxist theory. Empowerment requires both a "top-down" and a "bottom-up" approach while Marxist theory gives the "top-down" approach more importance. Marxism addressed the material basis of women's emancipation, while the current paradigm of empowerment identifies more cultural roots of inequality.

This article views gender empowerment in terms of representing women in key political institutes whose political and ideological traditions were impinged by Marxism and Leninism. Accordingly, I will also look at the influence of state policies on women's social roles, their opportunities and capabilities and women's movement as enabling factors for wider political participation. As indicators of empowerment, the number of women in representative institutions, their organizing and networking, their presence in parties, manifestations of gender stereotypes in political culture and the government's commitment to women's issue will be discussed.

Soviet State and Women's Emancipation

The October Socialist Revolution envisaged equal and full participation of women in the public sphere, productive labour as well as the socialization of household tasks. Hence, during Lenin's regime one heard slogans like: "Freedom and equality

¹ The background for the increased importance of the concept can be seen during the 1990s when a shift in approaches towards gender was initiated through various international and regional forums and institutions mainly because of the change in global feminist agenda, globalization of gender mainstreaming and human rights movements. After the Fourth World Women's Conference in Beijing in 1995, the concept of gender equality and women's empowerment as a development goal got acceptance at the policy level debates at national and international levels. It is an important millennium development goal that has to be achieved in all UN member countries. Hence, empowerment approach began appearing in NGOs and academic writings.

for the oppressed sex.” While underlining the role of the government in emancipating women, Kollontai maintained that “a woman should learn to look for support ... not from men, but ... from the state”. Thus, the state became both the protector and the liberating agent for women. In pursuance of socialist ideals and to bring women into politics, the Soviet Government defined the legal status of women as equal to men and provided several legal guarantees for the protection of women’s rights in various spheres of life. Laws were enacted to support women’s rights mainly in three areas: family, labour and social insurance and social welfare.

Lenin’s Reforms

In the words of V.N. Tolkunova, during Lenin’s regime, the reforms included:

(1) the consistent facilitation of working conditions for women, and providing them with relatively easier jobs; (2) increased labour protection for pregnant women, nursing mothers and women with children under one year of age, lower work quotas for them; (3) the constant increase of social maternity relief through allowances, privileges in pension receipts, a wider network of maternity and child welfare institutions, and nursery and extra school establishments; (4) comprehensive legal protection of women’s equality in all spheres of social life, systematic supervision and control by the state and trade unions of the observance of legislation on women’s labour rights and on special protection of their labour.⁶

There were certain specific guarantees regarding women’s rights. For instance, the first Soviet constitution adopted by the fifth All-Russian Congress of Soviets in July 1918, legalized women’s new political rights through Article 22 which guaranteed the equality of all citizens of the Soviet Republic regardless of sex, race or nationality. Further, Article 64 guaranteed rights to Soviet women on an equal footing with men, irrespective of nationality, creed, etc. (see note 6: p. 20). The amended 1936 Soviet constitution expanded the scope through Article 34 providing equal rights to women on par with men and Article 3 guaranteeing them equal franchise (ibid : 28–29). “Spouses are fully equal in family relations”, proclaimed Article 53 of the 1977 constitution (Gompson and Sheldon, 1988: 50). According to Article 122:

In the USSR, women enjoy equal rights with men in all spheres of economic, state, cultural, social and political life. This right is ensured by granting women equal rights with men to work, remuneration of labour, leisure and rest, social insurance and education, by state protection of the interests of mother and child, state assistance to mothers of large families and unmarried mothers, the granting

⁶ *Soviet Legislation on Women’s Rights. Collections and Normative Acts* (Moscow, Progress Publishers, 1978), p. 15

to expectant mothers of paid maternity leave, and the maintenance of large network of maternity hospitals, nurseries and kindergartens (Trukan, 1997: 63).

Article 137 further augments this provision by guaranteeing women the "same rights as men to elect and be elected" (ibid.).⁷

Hence, in theory, the Soviet constitution provided a detailed set of provisions to achieve social and gender equality and to evolve suitable ways to combine the occupational, domestic and material roles of women. These went far beyond those availed by women in the more economically developed capitalist West at that time. Lenin had once claimed that as far as law was concerned, there was no inequality between man and woman. All the governments, from Lenin to Gorbachev, tried to implement constitutional legislations for increasing opportunities for women to empower themselves.

Besides legal guarantees, Lenin saw women's self-development, political awareness, political mobilization and collective action as important elements of their emancipation. To achieve these goals, a Commission for Agitation and Propaganda was created in the first All Russian Congress of Working Women in November 1918. Feminists like Innessa Armand⁸ believed that if "the emancipation of women is unthinkable without communism, communism is unthinkable without the full emancipation of women" (Clements, 1979: 155). Such an argument led to the formation of a special department for women (*Zhenotdel*) in the party in 1919 with the reorganization of the Commission for Agitation and Propaganda with Innessa Armand as its head.

The aim of the *Zhenotdel* was to give practical effect to the principle of "social revolution from below" (Stites, 1991: 329). It tried to bring women into the revolutionary process and foster their equality in public and private lives through its various networks, created as part of party units. *Zhenotdel* worked with women in factories, farms and rural areas to draw them into the party, trade unions and cooperative organizations and to assist in tasks like the creation of kindergartens and community canteens. The party also encouraged *zhenotdel gatsakiye sobruniya* (meetings of female delegates) where selected delegates discussed various problems arising during the activities of the *Zhenotdel*.

⁷ Apart from domestic law, women's rights were also provided through several international instruments. The Convention against Discrimination in Education (ratified by USSR on 2 July 1962), The International Covenant on Civil and Political Rights (ratified on 23 March 1976), The Convention on Elimination of All Forms of Discrimination against Women—CEDAW (ratified on 19 December 1980), are some of the important among them.

⁸ Born in France and brought up in Russia Innessa Armand is one of Russia's early feminists. She first worked with the Russian Social Democratic Party and later joined with the Bolsheviks. She lectured in the Bolshevik Party Schools and represented the party in many international socialist conferences. She initiated the women's newspaper *Rabotnitsa*. She was one of the close associates of Lenin. She headed *Zhenotdel* until one month before her death in 1921. She was alleged to have an affair with Lenin during her activities and leadership of the Russian socialist movement. For details about Armand's life and activities, see Elwood (1992).

Despite Lenin's policy thrust on women's political participation during his leadership, he could not promote a woman to the Politburo during his tenure. Lenin could not elevate women into the upper rungs of the political ladder. Political leadership of women was confined more to local and regional levels. The Central Committee of 1917 had three women members among thirty-one—a mere 9 per cent.⁹ But the party membership among women increased. By the beginning of 1922, about 7.8 per cent of the women had become members of the party. Thus, Lenin's policies did not produce the desired results to prove the Marxist theory that the liberation of women followed the liberation of the proletariat.

Stalin's Policies and the Double Burden

While Lenin's initiatives met with failure, the Stalin years (1924–53) declared the “woman question” as solved! He abolished *Zhenotdel* in 1929–30. Thus, his policy led to the restoration of male hegemony. He had also not shown any interest in women's liberation or equality. In a way he put an end to the revolutionary spirit of widening the political horizon of women. However, Stalin realized the need for mobilizing women workers to make his programme of forced industrialization and collectivization of land successful because it necessitated a rapid increase in the labour force (Racioppi and O'Sullivan, 1995: 821; 1977: 209). For this, he created *Zhensektory* (women's sections) in the agitation and propaganda departments of the party.

The issues before Stalin were consolidation of his own power, modernization of the Soviet economy and the threat of World War. Stalin had to consolidate his power within the party in view of the strong challenges he faced from Zinoviev, Kamenev and Trotsky. To resolve the power struggle in his favour he abolished all political organizations and parties. The Communist Party became all powerful and any kind of dissent was not tolerated. “Enemies” were sidelined through a series of disastrous purges. He made the Soviet State more centralized and repressive. Stalin's concept of “socialism in one country” created a hierarchical society dominated by a privileged elite organized around party and *nomenklatura*,¹⁰ instead of a classless society. The state became more formidable, more extensive and

⁹ The issue of the percentage of women's participation is controversial as many books other than that of Baradat (*Soviet Political Society*, New Jersey: Prentice-Hall, 1989) claim that maximum of CC representation were never beyond 4.63 per cent. See Browning (1980: 30).

¹⁰ The *nomenklatura* is an elaborate system of executive appointments established in the early 1920s when the Bolsheviks urgently needed to recruit and place politically reliable individuals in executive posts in all sectors of the society. Since then the *nomenklatura* has been the single most important mechanism for ensuring control of the central party throughout the Soviet system by keeping a very tight grip on appointments at all levels of the administrative hierarchy. This system consists of two lists: one, of the positions to which the body concerned holds the right of appointment and two, of the candidates approved for promotion to these posts. All major institutions have their own *nomenklatura*, but the Communist Party holds the key *nomenklatura*, which controls and binds all others. For details, see *The Tauris Soviet Directory—The Elite of the USSR Today* (London: IB Tauris & Co Ltd Publishers, 1989), p. xiv.

more brutal under Stalin's leadership (Christian, 1997: 316). The foundation of a totalitarian state was thus laid.

The Soviet State always faced problems with regard to the decline in both demographic as well as economic production. To solve this, the role of women was altered from time to time without changing any aspects of male responsibilities. The amendments to the family law need to be viewed in this context. This law was amended in 1926 and recognized as "common law" marriage in order to encourage registration of marriages. In June 1936, it was again amended for "combating light-minded attitude towards the family and family obligations". It prohibited abortions except on serious medical grounds (ibid.: 15). Divorce became difficult and expensive to obtain. A distinction was made between legitimate and illegitimate children. The family was officially rehabilitated while the emancipation of women was declared as achieved. The death of a large number of men in the Second World War and the post-War industry severely interrupted family life. Therefore, the government enacted the family law of 1944 with the aim of encouraging births. This law no longer permitted women with unregistered marriages to claim maintenance for their children (ibid.: 17).

Stalin's idea of a "superwoman" who combined the roles of mother, housewife and worker brought about a double burden for women. The state-instituted "Mother's Victory", "Mother-Heroine" and the "Motherhood Medal" were just tactical moves to promote "necessary" gender role models. In fact, the double burden of the working mother was glorified (Conze, 2001). Men received their medals for courage in the fields of war and women for their endurance in maternity wards.¹¹ Besides, the number of women in the workforce steadily increased. Eighty-two per cent of workers entering the labour market between 1922 and 1937 were female. In 1922, women comprised 22 per cent of the workforce. In 1928, 24 per cent of the industrial workforce was constituted by women which by 1932, grew to 32 per cent. By 1940, it rose to above 39 per cent. Thus, Stalin's economic programme brought women into the workforce, perhaps at a rate highest in the world at that time.

Though Stalin did not show any interest in the political role of women, the fact remained that there was a steady increase in their political activities. Because of this, ministerial representation of women was sometimes even better during the Stalin era than it was during certain periods under Khrushchev (Browning, 1987). Their membership in the party also rose. In 1924, 1925 and 1926, the percentage of party membership of women was 8.6, 10.3 and 12.8 respectively (Yemelyanova, 1975: 58). By 1952, the women's share in the Deputies of USSR Supreme Soviet increased up to 25.8 per cent (348) (Maslova and Novikova, 1988: 78). It was evident that situational compulsions rather than any ideological or revolutionary commitment brought women into politics during the Stalin period. However, top political positions remained more or less forbidden to women.

¹¹ Andrii Sinelnikov, "Russia Inside the Broken Cell," <http://enabuse.org/programs>

Analysts who attempt to explain the “hyper-masculinity” of Soviet men underline the decline of male responsibilities in the family which “produced a matrifocal society” in which the Soviet man strove “desperately to hold on to the traditional prerogatives that most forcefully set him off as man—namely the right to behave in a free and self-serving way in sexual life, drinking, and other matters” (Schrand, 2002: 203). Moreover, the *obshchestvennitsa* movement, which presented elite wives as role models of all Soviet women and publicly emphasized the role of subservience to men, was encouraged and extended among women workers. As Handrahan argues, the “ideal Soviet woman” was valued publicly for three reasons: for her childbearing capacity (role of physically producing the nation); for her contribution to labour for the country’s development; and for the sexual gratification that she could and should provide to the Soviet man as her duty but not for her sexuality as a woman. Stalin even called for women to fulfil the patriotic duty of “keeping the fires burning in their hearth and their men happy by taking care of their beauty” (Handrahan, 2001: 475). Thus, Stalin paved the way for male hegemony in a new, socialist context. This trend continued throughout the Soviet period.

De-Stalinization

Khrushchev’s policies of de-Stalinization, revitalization of the Communist Party and the Soviets raised new hopes of an increased political representation for women. He recognized the gap between an enactment of law and its implementation in the context of the empowerment of women. Khrushchev noticed that in 1956 women formed 19.7 per cent of the party’s membership and only 4.1 per cent of the Central Committee. In his landmark speech to the Twentieth Congress in 1956, he asserted: “It cannot be overlooked that many party and state organs put women forward for leadership posts with timidity. Very few women hold leading posts in the party and the soviets (Khrushchev, 1956). Thus, once again the promise of empowering Soviet women was made. He introduced *zhensovety*—(women’s councils). The women’s department was resurrected with the main goal of raising political consciousness among women. Yaketerina Furtseva, a woman candidate, was appointed Politburo member in 1957 (Baradat, 1989). However, there was not much change in the percentage of women membership in the party (19.5 per cent), Central Committee (3.3 per cent) and Supreme Soviet (28 per cent). Thus, one did not notice much change in the political role of women even during the Khrushchev era.

The trend set by Khrushchev also continued during the Brezhnev years (1964–82). The official state position was that it continued determined efforts to bring women into politics. For instance, about one quarter of the party members in 1976 were women (Macauley, 1981: 218). Between 1970 and 1980, the share of women in the Deputies of the Supreme Soviet varied from 25 per cent to 33 per cent. However, top political positions still remained a male preserve during the

eighteen years of Brézhnev's rule. There was only one woman in the Central Committee while there was none in the Politburo. Women's political activism was limited mainly to the primary party level. Through quotas some women represented top offices but they were not given positions of responsibility. Decisions on women's issues were carried out according to the parameters of the party *nomenklatura*. *Zhensovetys*' activities were not allowed to form a mass movement among women. Further, during the Brezhnev era one witnessed the coming into prominence of feminist movements at the global level leading to the emergence of independent feminist groups. The Soviet women too did not lag behind. One such attempt was made in 1979 by Leningrad writers who formed a group named "Maria". However, it was charged with anti-Soviet propaganda and suppressed.

Gorbachev Era: The Perestroika Experience

The Gorbachev era was quite significant as far as the "woman question" was concerned. The twenty-seventh Congress of the CPSU in 1986 constituted a landmark in the history of the Soviet Union as it introduced various reform measures like *glasnost*, *perestroika* and new thinking. Gorbachev believed that democratization and restructuring were not possible without the increased and active role of women.¹² He noticed that women were not duly represented in governing bodies and emphasized their entry into governing bodies at all levels. So, he revived women's councils (*Zhensovetys*) in the twenty-seventh Congress. The concept was institutionalized under the Soviet Women's Committee in January 1987 during the All Union Conference on Women. By 1987, Gorbachev had created 240,000 *Zhensovetys* across the country under the Soviet Women's Committee to work under the party to unite women for the cause of communist development.¹³ Further, women constituted over 50 per cent in the local governments by 1988. However, the women's representation at the Supreme Soviet fell by more than half in the 1989 elections. Only 18.5 per cent of the Deputies were women. The situation did not improve in the 1990 elections to the RSFSR. So, women made up only 15.6 per cent of the people's deputies of the USSR (352 out of 2,250), 5.4 per cent of the Deputies of Russian Federation and 35 per cent in autonomous republics and local Soviets in Russia.¹⁴ Women's representation in key decision making bodies was very low even under *perestroika*, though they made up 53 per cent of the

¹² In his book on *Perestroika* he observed: "The extent of women's emancipation is often viewed as a yardstick to be used in judging the social and political level of a society. The Soviet state put an end to the discrimination against women so typical of tsarist Russia with determination and without compromise. ... Without the contribution and selfless work of women, we would not have built a new society nor won the war against fascism." Gorbachev (1987: 177)

¹³ "Women's Movement Must Not Be Reduced to Women's Councils," *Moscow News Weekly*, no 29, 8-16 July, p. 12

¹⁴ *Socialism: Theory and Practice* (Moscow: Novosti, 1990), p. 31.

population and 51 per cent of the workforce. When the "women's question" was discussed in the twenty-eighth Congress (2–13 July 1990), Gorbachev stated:

And something that especially cannot be tolerated is the fact that women are taking minuscule part in political life. I think, we should be ashamed of ourselves, seeing that women are taking an active part in many countries. And just take a look at this assembly—how many women are there among the delegates?... And how many of them are to be found in our government? We have neglected this matter to such an extent that the latest attempts have had next to no effect on the situation. Perhaps we should take real steps right now at this congress to have women represented in the Central Committee, on the Politburo, and in the Central Committee Secretariat. We should perhaps set up a department for work among women when reorganising CPSU Central Committee at the present stage.¹⁵

These concerns were reflected in subsequent policies.

Gorbachev initiated a political move to recruit and promote more women in politics and the administration. Alexandra Biryukova was appointed as an alternate/non-voting member of the Politburo. Immediately after the twenty-eighth Congress, Gorbachev appointed Galina Vladimirova Semyonova as a full member of the Politburo of the CPSU. *Perestroika* gave women an opportunity to evaluate their position in every sphere of society. Because of nation wide discussions, women's problems began to draw the attention in journals like *Literaturnaya gazeta*, *Ogonyok*, *Kommunist* and newspapers like *Pravda*, *Izvestia* and *Moskovskie novosti*. Problems of women in workplaces, double burden, food security, their absence in high political ranks, role dilemmas, disparity between legal rights and their practice and attitudes towards marriage, divorce, abortion and prostitution were some of the issues which were highlighted by the media.

The issue of low political representation and the reasons behind it were discussed in the party, the Soviet Women's Committee and research groups. The Institute of State and Law's Centre for Political Research and the Centre for the Study of Public Opinion conducted a study on the 1989 elections which showed that women candidates belonged to the category of senior officials, people in administrative apparatuses, members of cooperatives, elderly people and people with high income whom the voters did not prefer.¹⁶ The partial elimination of quota by the electoral law of 1988 was an important reason for the defeat of women candidates (MacMohan, 1994: 68). Alevtina Fedulova, vice chairperson of the Soviet

¹⁵ *Documents and Materials: 28th Congress of the CPSU, 2–13 July 1990* (Moscow: Novosti, 1990), p. 46.

¹⁶ Alevtina Fedulova, "Fair Sex: Their Chances of Becoming Deputies" (Interview conducted by T. Khudyakova, *Izvestia*, 30 December 1989), *Current Digest of the Soviet Press*, vol. XLI, no. 52, 24 January 1990, p. 32.

Women's Committee, identified two reasons behind the dismal performance of women. One related to the stereotyped image imposed on women: "A woman's calling is home and children." The other was the double burden, which forced women to often choose family work.¹⁷ Eketerina Alexandrova, a Soviet feminist, argued that the attitude and psychology on the one hand and the patriarchal order and gender role on the other, as also the linkage between the two were responsible for the low representation of women. The role of attitude takes one to the root cause of gender discrimination existing in the role assignment (Nelson, 1985). Galina, the lone Politburo member, argued that women themselves preferred to vote for men in the elections because women thought "men have more time to devote" themselves to problems. They thought that a woman had no time and would "work as little as possible, so she could run home and spend some time with her child" (Sloare, 1990: 40). According to Valentina Matvienko, chair person of the Committee of Women's Affairs, Family, Maternity and Childbirth Protection, an average woman had only twenty-four minutes a day to devote wholly to her child. Studies revealed that the backward mentality of considering statesmanship and politics as a man's business led to their low political status. Many women viewed their primary duties as a mother and wife (Alexandrova, 1984: 32-33; Carnaghan and Bahry, 1990: 382). All reports admitted that due to the burden of household responsibilities, women could not compete with men in political activities. The result was that they were even more under-represented in political decision making bodies (Mies, 1986: 180). Tatyana Zaslavshaya pointed out the inequality between men and women within the family and outside it as a major reason for the lower political status of women (ibid.). The same was the case with professions; women represented only 10 per cent of high quality specialists and held only 7 per cent of managerial jobs.¹⁸

Gorbachev's reform package for women showed a paradoxical trend from the very beginning. On the one hand, he wished to increase the participation of women in politics while on the other, he sought to bring them back to their natural and familial roles. However, it was evident from his statements that all that he was interested in was to bring women back to their families and to strengthen their traditional roles. He observed:

We have discovered that many of our problems—in children's and young people's behaviour, in our morals, culture, and in production—are partially caused by the weakening of family ties and slack attitude towards family responsibilities. This is a paradoxical result of our sincere and politically justified desire to make women equal with men in everything. Now, in the course of Perestroika, we have begun to overcome this shortcoming. That is why, we are

¹⁷ Alevtina Fedulova, n 61, pp 32-33

¹⁸ Sofia Startseva interviews Valentina Matvienko, "Women in Society: The Right to Chose," *Soviet Union*, no. 5 (482), 1990, p 6

now holding heated debates in the press, in public organizations, at work and at home, about the question of what we should do to make it possible for women to return to their purely womanly mission (Gorbachev, 1987: 177).

Gorbachev's attitude in this context largely corroborates the explanation given by Angus Campbell and others in their work, *American Voter*, for the lower sense of political efficacy among women, given their societal gender roles. They maintain: "The man is expected to be dominant in action directed toward the world outside the family, the woman is to accept his leadership passively. She is not expected, therefore, to see herself as an effective agent in politics". (Bourque and Grossholtz, 1984: 107). Gorbachev was, in fact, blaming women for the problems confronted by society and supported men.

However, the Gorbachev era at least provided new opportunities and freedom for women to think, learn and assess their situation and organize themselves. One after effect of the 1989 elections was that there emerged voices which demanded specific quotas for women in Parliament. Fedulova argued that the quota system consistent with democratic principles was essential to bring women on an equal par with their male counterparts, especially during the transitional stage of a society's development. A similar voice was raised by a conference jointly organized by the Soviet Women's Committee and some others who wanted to float a women's political party. The objectives of this joint conference were to prepare women for political battle, cultivate leaders from their ranks, help them move up in the social ladder and give them a chance to occupy posts of political power. Securing guaranteed quotas for women in elected organizations including the Parliament and in political parties was one of the methods of achieving these objectives. The proponents of this view termed this as the "feminization of politics" (Khudyakova, 1990: 23).

Further, because of Gorbachev's democratization process, several autonomous political parties, social movements, human rights movement and women's groups and organizations emerged in the late 1980s. Women actively participated in many of these groups.¹⁹ Apart from these groups, one also witnessed the emergence of a women's movement named *For the Socialist Future of Our Children*, various religious women's groups, and a feminist journal *Zhenskoye Chteniye* (Female Reading). In March 1990, the First Independent Women's Forum was organized by the combined efforts of members of LOTUS, SAFO and the Centre for Gender Studies in Dubna, near Moscow. Its slogan was "democracy minus women is not democracy".²⁰ The Forum decided to focus on the problems of shaping and implementing the state's social policy.

¹⁹ Some of the important ones among them were Committee of Soldiers' Mothers, Interregional Political club, NEZHDI (Independent Female Democratic Initiative), Committee for Equal Opportunities, Free Association of Feminist Organizations (SAFO), LOTUS (League for the Liberation from Societal Stereotypes), SWC and Union of Women of Russia.

²⁰ Female life expectancy was 72.9 (as compared to 60.6 of male) while the literacy rate of female stood at 99.4 (as compared to 99.7 for male).

Democratic Transition in Russia

Since its independence from the Soviet Union, Russia has entered a process of democratic transition to a market economy and political liberalism. In this process, women have lost many of their Soviet era achievements like employment security, state benefits and quotas for political representation. They have faced increasing gender discrimination in salaries, recruitment, promotion, dismissal and professional segregation. The Russian Federation has faced feminization of unemployment and poverty. Women have become the victims of prostitution, trafficking and violence (domestic and sexual) due to the economic burden.

The retrieval of the "Mother Russia" image, reinforcing reproductive and nurturing roles as crucial, and the patriarchal social attitude kept women away from politics. Therefore, in the post-Soviet era, the position of women in Russian society remained as, or even more, problematic than it was in previous decades. For women, the transformation process brought reorganization of gender identities, gendered definition of citizenship, re-domestication, marginalization and discrimination. However, political freedom enabled them to remain in touch with global feminist networks and provided them the opportunity of participating in international conferences concerning women's issues. Gender, especially after the Beijing women's conference in 1995, has been accepted in Russia as an important variable in development policies. Moreover, Russia is also a party to the common model of economic programme aimed at sustainable human development, and has to abide by the millennium development goals in which gender equality and empowerment of women are among the most important

Legal guarantees, activism of women's groups, support from international organizations and the government's commitment to abide by the conventions they ratified for women are some of the factors which may facilitate wider political participation and empowerment of Russian women. However, now Russia ranks 68 among 175 countries in the Human Development Index (HDI) and its Gender related Development Index (GDI) rank is 56 at 0.774.²¹ In gender empowerment measure (GEM),²² Russia's rank is 57 bearing a value of 0.440. In terms of seats in

²¹ *Human Development Report* (2003: 61) The Human Development and Gender Development Indexes give the general status of women. The gender-related development index (GDI) measures achievements in the same dimensions and using the same indicators as the HDI, but captures inequalities in achievement between women and men. HDI adjusted downward for gender inequality. The greater the gender disparity in basic human development, the lower is a country's GDI compared to its HDI.

²² The gender empowerment measure (GEM) reveals whether women can take active part in economic and political life. It focuses on participation, measuring gender inequality in key areas of economic and political participation and decision making. It tracks the percentages of women in Parliament among legislators, senior officials and managers and among professional and technical workers, and the gender disparity in earned income, reflecting economic independence. Differing from the GDI, it exposes inequality in opportunities in selected areas.

Parliament the weightage was 6.4 per cent (2003).²³ Female legislators, senior officials and managers constituted 37 per cent of the total. The ratio of estimated female to male earned income was 0.64 and contributing female family workers constituted 47 per cent (male 58 per cent). Finally, the gross enrolment ratio for women is 82 (as compared to 75 for male) (Human Development Report, 2003). These figures show that on the educational front women were better off while in politics they remained under-represented.

The low representation of women in the four State Dumas from 1993 to 2003 shows the inequality of opportunities and the male dominated nature of democracy taking shape in Russia. Women's share in the Deputies of State Duma declined from 10 per cent in 1995 to 7.7 per cent in 1999. In the Federal Assembly of the Russian Federation of 1996–99, there were only 7.2 per cent women, while in the Federation Council, there was only one woman out of 178 members (that is, only 0.56 per cent). The three-tier structure of power (comprising the factions and deputies group, the committees, and the council of the State Duma) did not offer opportunities for women to influence the process of decision making. By the first half of September 1998, there were only three women in the Duma Council, while two women headed the committees and there were no women in the factions where important decisions are made. In positions of leadership in other federal organs of the executive branch, there were only four women. Among the state service employees in "higher" positions, only 1.3 per cent were women. This shows that the Russian political elite continued to be male dominated during this time.²⁴

Even though few women occupied positions of power during the Yeltsin period, the prospects for women in general were getting bleak in the new power structures. Therefore, they responded by contesting elections through their own parties like "Women of Russia".²⁵ By doing this they sent out a strong message.

²³ This increased to 9 per cent after the December 2003 elections. Female legislators, senior officials and managers constituted 37 per cent.

²⁴ Naderzhda Shvedova, "Why should women go into politics?" <http://www.wc-mvi.org>, Issue 25. As of June 1997, there were 337 (9.4 per cent) women out of 3,600 deputies within the sub-national legislatures in the Russian Federation. In four subjects of the Federation – Tazan, Kursk, Omsk, and Tomsk oblasts, there were no women at all. In 74 subjects, the share of male deputies was between 80 and 99 per cent of the members. This included the city Duma of Moscow with 6 per cent women. Only in four subjects of the Russian Federation (in Moscow and Kurgan oblasts, and in Evenkiysk and Koriak autonomous regions) there were 30 per cent women deputies. In the executive branch as of August 1998, there was not a single woman among Russia's heads of republic governments and governors, with the exception of the governor of the Koriak autonomous okrug. In 26 of the 89 subjects of the Federation (or 29 per cent), women were deputy heads of the governments. In general, women occupied only positions at the lower levels of state service, and it was difficult for them to achieve higher positions. In 2003, Duma women constituted 9 per cent. Among the candidates, women comprised 13 per cent in federal proportional lists, and 11 per cent in single mandate districts.

²⁵ The second Duma conference in November 1992 took steps for the formation of women's political party to bring women's issues in the political agenda. This led to the "Women of Russia" political movement in late 1993.

In the December 1993 elections, for instance, women won nine seats (5 per cent) in the Upper House, the Federation Council, and sixty (13 per cent) in the Lower House, the State Duma, taking the total representation to 11.4 per cent. In terms of vote percentage the "Women of Russia" got 8.1 per cent of the votes in the 1993 elections. Such a trend forced various political parties to highlight gender issues in their programmes and also allow women's activities²⁶ (Marsh, 1998: 100). However, during the December 1995 elections, the bloc could not secure the mandatory 5 per cent to get represented (Patnaik, 2002: 333). During the 2000 elections, one woman, Ella Palmfilova, contested under the banner of her organization, "To Civil Dignity" with the promise of ensuring gender equality. She could not make any headway, as Putin the current Russian President was a strong contestant at that time. However, Putin's election programme gave attention to gender issues.²⁷

Yeltsin and his colleagues tried to incorporate women's issues in their political programme. In 1992, he formed a fifteen member "Group of Gender Expertise" within the Supreme Soviet of the Russian Federation to assist parliamentarians in making laws to promote the interests of both the genders and appointed female advisers. But the group could not take any new policy initiative on gender issues, except the drafting of "The Concept on Law-Making Activity for Enforcement of Equal Rights and Equal Opportunities for Men and Women." No women candidate stood in the 1996 presidential elections. It is interesting to note that during this election, Boris Yeltsin came out with a comprehensive programme document called "Man, Family, Society and State" which was committed to "... ensuring real gender equality with great determination both on legislative and executive levels", as well as to "increasing the number of women in government structures" and "preparing women for political and governing activity". But when he became President, he did not keep his promise.

When Putin won the 2000 elections, he tried to show his commitment of bringing women into the upper echelons of power thus reviving the hopes of the Gorbachev period. In March 2001 he appointed Lyubov Kudelina as deputy defence minister, usually a male preserve, making her the first woman to hold such a post in modern Russian history. So far, Valentina Matvienko, the deputy prime minister in charge

²⁶ These parties included the Communist Party of the Russian Federation, Forward Russia, Russia's Democratic Choice, Power to the People, and Yabloko. See Marsh (1998: 100)

²⁷ Before Women's Day, 8 March, V. Putin paid tribute to the tradition by visiting Ivanovo, "the city of brides", where he met with weavers and visited an orphanage. Besides, in the course of the electoral campaign he made several comments, such as "intelligence, intuition, beauty, and kindness make women different from men", and "development of society is impossible without women". See Svetlana Auvazova and Gregory Kertman, "Men and Women at the elections: Gender Analysis of the electoral campaigns of 1999 and 2000 in Russia," <http://www.owl.ru>. During the electoral campaign, when providing arguments for his decisions, V. Putin twice mentioned famous Nekrasova lines about Russian women who "can stop a running horse and enter a burning house". For the first time, when he suggested that Lyubov Sliska should take the position of the Chair of the State Duma, and for second time when he decided to support Valentina Matvienko in her race for the position of the Governor of Saint Petersburg.

of social affairs, enjoys the distinction of being the country's highest ranking woman politician. Irina Khakamada, a leading proponent of equal rights for women, is deputy speaker in the State Duma the lower house of Parliament and a former head of the state committee in charge of promoting small businesses. Further, the central bank also has the first female deputy chairperson, Tatyana Paramanova.²⁸ It is true that given Russia's male-dominated politics these are encouraging signs. However, they are not in proportion to the share of Russian women who constituted 56 per cent of the electorate and 51 per cent of the workforce. Therefore, even under Putin much remains to be done with regard to the political empowerment of women in Russia.

In the midst of such an adverse situation, feminist groups and civil society organizations began advancing the cause of women's rights. However, even though women are resisting various attempts at gender discrimination through political mobilization and networking through non-governmental organizations (NGOs), they are unable to get enough strength to resist the negative changes in the position of women (Chenoy, 2001: 233). In short, in the Soviet era, as Alexandra Kollontai commented in 1918, the revolution has brought rights for women on paper, but in fact it made life harder for them²⁹ (also see Porter, 1987: 45). In the post-Soviet period, the situation worsened.

As far as women representation in Parliament is concerned, Russia occupies the forty-sixth place after the Philippines, Barbados and El Salvador, although outstripping Guinea-Bissau, Panama and Zambia. The representation of women in parliaments in northern European states, on an average is about 36.4 per cent. In several of them, this indicator is closer to 40 per cent.³⁰

Soviet/Russian Experience: A Critical Review

It is true that women achieved high levels of literacy, education and workforce participation during the Soviet era. However, the Communist era legislations for women did not help them to occupy positions of real political or economic power. The nature of the political system, the recruitment system, the lack of independent political organization among women and the prevalence of traditional segregation of gender roles (private/public dichotomy) are the major reasons for the failure of translating legislations into real empowerment of women.

There were various inter-linked causes behind the poor showing of women in positions of political power. The vanguard role of the CPSU and the *nomenklatura*³¹

²⁸ <http://www.cnn.com>, 27 December 2002

²⁹ Kollontai was one of the architects of the Great October Revolution. Her theories of how women's sexual and moral liberation are vital to the advancement of the revolution were crucial to the incorporation of women's struggles into Bolshevik politics. To know more about her, see also Porter (1980), Farnsworth (1980) and Heinen (1978)

³⁰ Nadezhda Shvedova. There are also 20 countries in the world where the representation of women has crossed the 20 per cent line.

³¹ Nomenklatura is party list for appointments in military, government, schools, farms, plant and other institutions that can be held only by people who are cleared by the party

system could not do anything substantial against the subordination of women in the political hierarchy. It was believed that to be a party member was a great honour (Tatarinova, 1968: 45). As this was true, the low membership of women, their low presence in the Central Committee and its Secretariat and their negligible or no presence in the Politburo proved clearly that women were consciously or unconsciously viewed as second class citizens with a status lower than that of men. If this was structurally so, what were the reasons behind such a structure?

The attitudes and traditions in Soviet society were not drastically different from those in any other country. The popular proverbs regarding women and the Russian philosophical thought on sexes, which still influence society on gender roles, were proof of this conservative attitude. Some of the folk sayings were: "The woman's road—threshold to stove", "A chicken is not a bird and a woman is not a person", "Beat your wife for dinner and for supper too", "Long hair, short sense", "I thought I saw two people but it was only a man and his wife" and "For what reason should one educate a woman?" (Winter, 0000: 96) Such cultural stereotypes might have influenced the policies of the Soviet regime with regard to female emancipation.

The mainstream philosophies of the sexes that were prevalent were the Slavophile theory of sex developed by Aleksei Khomiakov, the views of the Westernizers secular and rationalistic view by Nikolai Chernishevsky and the religious philosophy of sex. The Slavophiles stood for maintaining cultural and historical traditions based on orthodox Christianity and patriarchal family and social relations (Salganik, 1994: 116). The Westernizers emphasized the necessity of social reform and emancipation of women, both juridical and political (*ibid.*). Chernishevsky's ideas were much more radical and his perception was that the domination of the strong man over the weak woman was the source of all other forms of oppression, suppression and exploitation. Since family was the means of suppressing women's individuality, he believed in "radical transformation of relations between the sexes, as well as the whole order of the society" (Voronina, 2002: 39). The religious philosophy presented sex as an immoral concept (Tolstoy), woman as Mother Earth who saves the world from the devil (Dostoevsky), femininity and masculinity as binary opposites (Solo'ev), and sexual polarity as the basic law of life and, perhaps, the basis of the world (*ibid.*: 40–42). Since Russia has ethnic and religious diversity, other religions such as Islam have also contributed to the determination of gender roles. Eventually, the patriarchal traditions underpinned the socialist slogans without much transformation. Thus, in the Soviet era, the concept of femininity (and masculinity) was constructed both by elements of radical Bolshevik ideology and cultural tradition.

From the very beginning, Soviet political culture had remained a male-dominated one. Instead of women being the agents of their emancipation, the state acted as their protector and liberator with women just becoming the recipients of the state's welfare policies and programmes. In the immediate aftermath of the revolution, male leaders were more eager to participate in building a new society wherein they needed the help of women. Therefore, one needs to view the recruitment of

women in political posts during Lenin's time from both patriarchal and political angles. Lenin actually did not expect the assertion of women as an independent political force which was a threat to the supremacy of the male-centred power structure of the Soviet political system. This became evident from Lenin's fury at Alexandra Kollontai who opposed the authoritarian, bureaucratic and centralized trends within the party and instead proposed the creative and collective efforts of workers themselves. When Kollontai pointed out the abuse of privileges and argued for internal party democracy, Lenin retorted by asserting that a country torn by civil war required less idealism and more control from above. Though Lenin spoke of work in the kitchen and in the household as the "most squalid and back-breaking and stultifying" (Lenin, 1934: 81–82), he and his comrades viewed female assertion as a danger to the discipline and unity of the party machinery.

Inequality between men and women can be seen as a result of the formulation of policies by the state keeping in view the requirements of a male-dominated society. This gave rise to a particular kind of patriarchy that made women's interests and needs subordinate to the state. Thus, the totalitarian³² (also see Lukin, 2000: 11) state, rather than men per se, became the main instrument of discrimination against women. Even though in theory, the state professed a gender-neutral, socio-cultural system, in practice it failed to create a system devoid of gender bias and disparity. In short, the Soviet system was established by masculine values, norms and belief systems based on the unacknowledged cultural male–female dichotomies or binary opposites such as strength/weakness, power/powerlessness, rationality/irrationality, objective/subjective, universality/particularity and public/private. The state retained the principle of domination of the supreme, the universal and the objective and thereby preserved the masculine paradigm and strengthened it in the public mind. Further, the state always tried to change the role of only women; it never visualized any role change for men in the family and in society. Even Lenin talked in a pessimistic tone of changing traditional male roles in favour of women. In a light conversation with Clara Zetkin, Lenin expressed his helplessness to root out the traditional conception of gender roles because people believed that it would go against "privilege and dignity of the husband". Lenin further said that a woman's backwardness or her lack of understanding for her husband's revolutionary ideal acted as a drag on his fighting spirit. For Lenin, these backward women were like "tiny worms, gnawing and undermining imperceptibly, slowly but surely," (ibid.: 111) the joy and determination of men to work. Thus, despite all the progressive laws which were enacted during Lenin's time one found little change, especially for women, in family life.

³² Because of the extreme concentration of power, the Soviet political system was characterized as totalitarian. A V Lukin points out that over and above the Party's hold in everything, the essence of Soviet totalitarianism was that the USSR had no institution, body, or individual whose range of powers was not fully duplicated by the powers of an unquestioned higher entity. See A V Lukin, "The Transitional Period in Russia: Democratization and Liberal Reforms," *Russian Social Science Review*, vol 41, no 4, July–August 2000, pp 5–31

The post-revolutionary transition hit women first as is reflected in the increase in family violence. About the implications of *Zhenotdel's* activity for politically conscious women of the family, Trotsky wrote:

An old family husband is a good worker, devoted to his wife; the wife lives also for her home, giving it all her energy. But just by chance she comes in contact with a communist women's organization. A new world opens before her eyes. The family is neglected. The husband is irritated and the wife is hurt in her new awakened civic consciousness. The family is broken up (Trotsky, 1970: 24).

The other aspect was the double burden and the role dilemma it created for women. The women's role as workers was not reciprocated with support from the husbands at home. The government could not do enough to ensure that the new society protected the interests of women.

The state did not have a clear idea about the responsibilities and roles of a man in the family. Hence, even though the state was more favourably inclined towards women at the policy level, the age old social practices remained unchanged. This is because it is more difficult to have social change than it is to have political change. The former is a question of base where real changes take place only in the long run, while the latter is the arena of a super structure where changes are relatively less difficult when compared to changes in the real social structure.³³ This forced women to retreat to the domestic sphere and accept the ideology of strictly differentiated gender roles and identities. Gorbachev's efforts at defining women as political citizens made this contradiction clearer.

In the new post-Soviet political set up, a subtle process of marginalizing of women and making political power inaccessible to them seems to be at work. This becomes evident from pre-election manifestoes and the programmes and statements of political leaders. In all these, the concept of family as a social and political foundation of the new society is visible. Values attached to the private sphere are given prominence and the domestic role of women is emphasized. For instance, Ivan Bestuzhev Lada, one of Yeltsin's advisers, said in 1992: "The workplace for women is with her children. She is not without work—children are her work." In the same vein, Kirsan Ilumizhinov, the leader of Kalmykia, declared in 1993: "Women shouldn't work at all; let them stay at home and bring up children." Conservative politician, Vladimir Zhirinovskiy argued that man should be the head of the family who decides "when he will marry, whether his wife will work, how

³³ India's caste ridden society is an example to understand this fact. While India is politically a democracy (though controversy exists in this assessment), Indian society is not yet democratized, caste and other undemocratic divisions rule the roost. A contrast between the polity and society, of course of a different kind, exists in the Soviet Union also in the case of women. The progressive and revolutionary initiatives in the political sphere are not materialized because of the structurally inherent backwardness in the society. This is what happened in the case of Soviet women also.

many children they will have, where and how these children will study, what sort of house they will have and what will be in and around it. Then there will not be any single elderly citizens or rejected children". The *Domostroi* code which is a traditional code of social roles for men and women in accordance with the orthodox principles was revived. A fascist party man blamed women for the crisis stating that all the ills facing the country stemmed from the fact that women have too much freedom (Marsh, 1998). Russian Minister of Labour, Gennady Melikyan, said in 1993: "Why should we create jobs for women, when there are so many unemployed men?" (*Moscow Times*, 11 February 1993). Women seem to have little option but to try to adjust with their confinement to the private sphere.

Conclusion

In the Soviet era, especially after Stalin deviated from Lenin's emphasis on women's equality and political participation, the Bolshevik state's promise of women's emancipation remained a welfare utopia. Whatever gains the Soviet women made during this period were related to the requirements of the state rather than their emancipation. The party policies of the Communist Party with regard to recruitment and political indoctrination of women for a socialist political role, in which there was no upward political mobility, kept women tied to traditional roles.

The authoritarian character of the political system, absence of an autonomous women's movement and lack of proper criticism of socialist policies converted the emancipation goal into a double burden on women. The male-dominated political leadership generally valued women's role in economic production and in the reproduction of children. Women were valued primarily as mothers and domestic workers and then as workers of the so called female jobs. Their education, employment and social profile were regarded as an appendage to managing the home front. Women were not defined as political citizens. Their role was defined as complementary to men, and not on par with them. However, in household affairs women did enjoy genuine power because of their economic independence and state protection, notably without a feminist agenda as in the West. In this sense, Soviet society was matriarchal. In seventy years of the Soviet State, the construction of new roles and ideals for women, and solutions to their problems were articulated according to the perspectives and biases of male leadership.

The political liberalization introduced by Gorbachev led to two important consequences for women's political activity—an overall decrease in the number of women in official political organs and the emergence of less institutional forms of political participation such as social initiatives and women's groups. Moreover, *perestroika* had a definite impact of the state system, the nationality question and the economic situation which in turn affected women.

In the post-Soviet era, past legacies became the toughest challenges that women had to encounter in their initiatives towards empowerment. Spread of sexual promiscuity, prostitution, an increasing influence of the church and revival of the

domostroi code, are some of the obstacles on the way to women's empowerment. Male prejudices coupled with the burden of day-to-day life marginalized women's participation in active political activity and kept them away from main decision making bodies.

The concentration of economic resources in the hands of men and their large representation in the political class are correlated. Therefore, access to economic resources and control over income remain necessary conditions, along with culturally related factors like a change in male attitude for eliminating gender inequality and achieving political empowerment for women in Russia.

Today, women in Russia very well realize that they are being discriminated against. They also recognize that neither the Communist ideology, nor Western feminism, nor even the demands for equality would bring any significant change in their status. They are looking towards new forms of struggle and new approaches to achieve genuine emancipation. But stereotypes generated by culture, history and literature need to be fought with in the beginning. Moreover, any effort towards emancipation and empowerment of women should come indigenously from the Russian women themselves.

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A Plea for Engendering Human Security

Anuradha M. Chenoy

The human security concept centred around rights is a radical departure from the traditional state-centric approach to security issues. However this paradigm needs to be engendered because experience has shown that the concept of "people" still leaves out women, especially those at the margins. Threats from militarism, patriarchy, chauvinism, sectarianism, poverty and denial of rights affect women differently than they do men and since structures and institutions of power remain patriarchal, there is need for a gender balance as well as a feminization of security. Many countries in principle accept people's rights and yet discriminate against women in practice. It is time that steps like evolving gendered security indicators in order to assess the threats to human security are brought on the security agenda.

Human security is the necessary response to the unending spiral of armed conflicts that continue to engulf the contemporary world. The concept of human security emphasizes that every aspect of human rights and needs is necessary for security. This is borne out by the fact that conflicts occur when these rights are denied and needs are repressed. Human security is a people-centred approach that addresses human rights, capabilities and aspirations and questions the logic of traditional security approaches that focus on the state and rely on military methods. The human security approach has many roots and proponents that have been woven together by the United Nations Commission on Human Security (Human Security Now, 2003; Thakur, 2004: 347). Human security seeks to complement state security by broadening and democratizing security since issues like identity politics, or the neglect of social justice can become the central themes of national security, just as many inter-ethnic rivalries or sectarian conflicts have become.

Does the human security concept show equal concern for women? Does women's security get insured under the peoples' security concept? How sound is the assumption that women's rights will follow "naturally" if human security is accepted by states? In this article I raise the question about why the concept of human security needs engenderment and how we can do this in practical terms.

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The Critical Aspects of Human Security

Human security attempts to broaden security concerns to include the non-traditional aspects of security. Traditionally states had a monopoly over security and in many cases this concern is mixed with regime security. States are concerned primarily with preserving their territory and sovereignty and furthering their perceived national interests (Axworthy, 2004: 348; Bajpai, 2003; Liota, 2002). If the territorial status quo is intact they consider themselves secured. Human security views people's security as a critical part of the state's concern without diluting its interests. Most recent conflicts (especially in Asia and Africa) rise from issues in civil society and it is the people who are affected the most by it.¹ The people-centred approach thus is a radical departure from the traditional security conceptualization.

In most of the discourses on national security and international relations, gender issues are either taken for granted, ignored or problematized (Cockburn, 2001:13). This is because a fundamental premise of the international relations theory continues to be the realist theory that sees the international political system as anarchic and thus values the need for military force as a currency for power. Once power is based on force, values associated with masculinity get privileged, and whoever exercises power (men or women) valorizes these values. The human security approach recognizes the implications of gender and takes serious account of gender discrimination, the need for gender equity and the implications of gendered violence. But in this conceptualization, gender is subsumed under the larger problem of the people. As feminists argue, any approach that seeks security needs to recognize that the concept of power is gendered, especially at times of armed conflict.

Women's security is not guaranteed either during peace or war times.² Women's insecurity can come from within the family, from community conflict or from state or interstate sources. This insecurity is largely invisible in the private sphere and gendered in the public sphere.³ Further, women's insecurity does not have to

¹ In all these conflicts the largest number of people who have been killed, hurt, maimed have been civilians. Non-combatants get marked as supporters and are subject to army grilling, searches, and women are especially targeted for abuse. All these conflicts have generated large numbers of internally displaced persons and millions of refugees. Children have been caught in the crossfire in all these conflicts and have been killed, maimed, traumatized, and militarized. In many of the Asian conflicts there has been reported use of child soldiers, kidnappings, etc. Conflicts orphan children, keep them away from schools and all other process that traumatize and dehumanize them and instill militarist value. The data is available from web sites like *The Carnegie Commission on Preventing Deadly Conflicts*, Carnegie Corporation of New York, <http://www.wics.cmu.edu>; The World's Armed Conflicts site <http://www.jmkgu>, also WWW.ploughshares.org/armedconflicts2003 (International Peace Research Institute, Oslo)

² Surveys show that up to 80 per cent of women world wide suffer domestic and other violence "One In Three Women Worldwide Could Suffer Violence Directed At Her Simply Because She Is Female", UNIFEM, 24 November 2003, http://www.unifem.org/press_releases

³ "Sexual Assault Statistics", www.stopfamilyviolence.org. The International Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), <http://www.unifem.org/undp.org/CEDAW/>

be measured merely in terms of violence or the absence of it. It is linked to, among other things, their identity, roles and status.

Structural discrimination against women remains in most societies (in different degrees and with cultural and economic variations) and is linked to perceptions about women's roles. Patriarchal ideologies give less value to feminine roles and identity in comparison to masculine ones. This gendered valuation of roles and identity is part of all structures of society, state and the international system, more so in authoritarian, militarist and fundamentalist systems, and wherever there is the absence of democratization and feminization. Women are kept largely out of most spheres of public policy making and this ensures the domination of agendas that exclude them. This results in routine (domestic) violence and intersects with structural violence. Violence from routine and structural conflicts remains hidden because it does not fit the state-centric criterion (also see Pickup et al., 2001: 78).⁴ Nor do policy strategies aimed at preventing and mitigating violent conflicts adequately address the impact on women who remain in the private sphere.

At times of insecurity and armed conflict, civilian institutional structures break down and are overtaken by militarized ones, patriarchal controls increase and gender differences are essentialized. Women's insecurity during armed conflicts is different from that of men. The public language and practice of politics and the media becomes a weapon of conflict and terms such as "manhood", "brotherhood", "martyrdom", "honour" and "sacrifice for motherland" dominate the discourse.⁵ Masculinity and force are associated with power just as femininity is associated with the powerless, weak and peaceful. Further, power implies control over others. The enemy "other" (or "them") is demonized and homogenized, just as the "us" is homogenized and glorified with militarist values. Masculinity intersects with militarist values and becomes the base for a militant approach. Issues like honour, national glory and victory are mixed with valour, revenge, retribution and power. These militarist and gendered values are part of all armed conflicts. Thus feminine interests and feminist values are marginalized.

In such circumstances women's identities are constructed to intersect with the needs of militarized nationalism. Women get bracketed with either the nation or their relatives like "mother of the nation", "rape victim", "martyr's mother", "half widow" or "war widow" that symbolize shared victimization and solidarity that feeds into generating retribution and nationalism. In the case of all recent armed conflicts, women have been constructed as cultural symbols. They are signifiers of the "honour" of their community, family and nation and stereotyped as the feminine "other". They are then either seen as subjects to be protected and confined

⁴ See also "Rape So Common in D R C, It Is Considered Combat Injury", U N Wire, 27 October 2003, http://www.unwire.org/Unwire/20031027/449_9787.asp

⁵ In all these conflicts the state has resorted to tactics of majority militarist nationalism and sought legitimacy by evoking images of threat perceptions, territorial disintegration, and "national honour" See Human Development Report, 2003, UNDP (New York Oxford, 2003)

to the private sphere, behind veils and walls (from Kashmir to Afghanistan) or violated as symbols of the enemy "other" (Chenoy, 2002: 31–33; Enloe, 1998). This signification makes women easy targets of gendered crimes like rape and forced prostitution (also see Turshen, 2001).⁶ Female relatives of offenders or the "other side" are targeted by conflicting sides and by state agencies to collectively punish them. While abuse against men gets publicity, all sides maintain a conspiracy of silence when it comes to abuse of women.

Women get little independent status since their agency is undervalued and restricted to their body, which like their identity is held hostage to militarist values and they are subjected to greater control than at normal times. Conflicts are structurally gendered, and this is the reason why women are primary victims and treated as part of the infrastructure, no matter what and how many roles they play.⁷ Thus guaranteeing "people's security" does not guarantee women's security. In dealing with the gendered structures of security, the approach should be engendered.

Threats to Security

Viewed from the traditional concept of security, threats mainly emanate from other states are military threats or are threats from non-state actors (terrorists, etc.). Human security argues that since most current conflicts occur because of internal reasons, it is these issues that need to be addressed. A deconstruction of recent armed conflicts, especially in Asia and Africa, establishes that when community rights related to religious ethnicity, race or political issues remain unresolved, or are denied rights or justice, they develop movements that can espouse sub-nationalist and secessionist aspirations. In many cases, states create insecurities

⁶ Turshen (2001: 55–57) Also see, R. Jefferson, LaShawn Organization, "Human Rights Watch World Report 2004", *Sexual Violence and Women's Status*, January, 2004, <http://www.hrw.org/wr2k4/15.htm> Gender Aspect of Conflict and Peace <http://www.un-instraw.org/en/research/gacp/index.html>.

⁷ The Gender Development Index Ranking for most of the Asian and African States caught in armed conflict is amongst the lowest in the world. In all the Asian and African conflicts women have been subject to violence and degradation on the basis of "honour" Women have been disproportionately affected by these conflicts, the largest numbers of those displaced and made refugees (70 per cent) have been women. In most Asian countries women lose their status in society as widows; rehabilitation packages for women in all these conflicts have been lesser than those given to men and in many instances, women have not personally benefited from compensation since this has been taken over by their extended families. Since women symbolize the honour of their community they lose their autonomy during such conflicts since there is an attempt to keep them "secure" at home. On the other hand, women who "belong" to the "enemy" are raped, since this violates the "honour" of the entire community. All the Asian conflicts as those elsewhere, have witnessed rape and sexual abuse of women as a method of punishment for the entire community. See the yearly Amnesty International Reports, 1998–2003 (London: Amnesty International, 1998–2003).

for people by not respecting the rule of law and civil and human rights.⁸ States vary along the continuum from authoritarian to democratic systems, and within this continuum the level and depth of democracy varies. Many democracies especially in the Third World continue to have a strong militarist or authoritarian presence and people and groups are marginalized because of gender, ethnic or communal identities. This leads to intractable conflicts like those witnessed in South Asia, Southeast Asia and Africa. Many recent conflicts show that the state has not been neutral, but a party to the conflict.⁹ The human security approach argues that internal threats arise when communities that have a sense of nationhood are denied rights and suffer from poverty, inequity and injustice; or when the interests of majority and minority groups clash. It is thus in the interest of state security that human rights are guaranteed.

Threats from militarism, patriarchy, chauvinism, sectarianism, poverty and the denial of rights affect women differently than men. Women's identity as "belonging" to fathers/husbands/sons and their signification as cultural symbols of their community/nation remains constant before, during and after wars. These ideologies combine with militarism and patriarchy to restrict women. A woman's value is reduced to her chastity and her role to the private sphere. Thus, for example, dress restrictions and behaviour codes for women remain, whereas none of these are applicable to men. After armed conflicts are over, men are rehabilitated and get back to work and their normal routine, while women as all post conflict situations from Afghanistan, Iraq, the Democratic Republic of Congo, former Yugoslavia and elsewhere show continue to be insecure, subject to control by men brutalized by war or by militarized institutions. Therefore security threats are gendered and influenced by class and strategic location. Violence against women is just one manifestation of these gendered structures. In addressing security, gender issues tend to be glossed over if they are not specifically highlighted.

⁸ Most of these anti-state movements begin as demands for justice or social change and are often based on ethnic sub-nationalism that incorporate ethnic-nationalist myths, symbols and strategies. Most of these movements have a number of factions and different strategic perceptions, tactics and goals. Often these groups have used violence against each other. Most have factors that believe in violence and use violent strategies, labelled as terrorism. Many of the movements are hierarchically organized, based on military principles and are "underground". Most use women cadre in their operations, mostly as support lower cadre in the hierarchy. Thus, many ethnic secessionist and anti-regime/state movements valorize force, often because of the failure of other methods. The use of violence, however, has its own logic that leads to militarization of those movements with all its problems. The Carnegie Commission on preventing Deadly Conflicts (New York: Carnegie Corporation).

⁹ Conflicts in Asia and Africa reveal how the regime in power has used conflicts for serving its interest. For example, by constructing a militarist nationalism based on demonizing the "other"; using "majoritarian" politics and attempting to isolate the minorities, or using a minority primarily as a vote bank, or using religion or language to homogenize people for electoral purposes, or use one religion/ethnic group against another etc. The World's Armed Conflict site <http://www.jmkg.ru>.

Methods of Providing Security

In the case of traditional security, diplomacy is carried out on a state-to-state basis and because the interest of the state is at stake, national security issues are privileged agenda. States emphasize the use of force to ensure security. Internal security is perceived as law and order maintenance and movements that go against state/regime interests are repressed and labelled anti-national. National Security Laws are a common method of ensuring state security, many of which violate normal constitutional procedures and are known to abrogate civil and political rights. Conflicts are usually managed through control, compromise or sheer repression. States use military methods of counter insurgency that are designed to destroy infrastructure.¹⁰ In all current armed conflict zones, there is little to distinguish between the war zones and the civilian zones. The conflicts and anti-insurgency operations enter homes, schools and private spheres.¹¹ Most of the methods used by conflicting sides are gendered. Here, rape is a weapon of war, revenge and retribution. No laws for privacy are respected and women are punished for being relatives of suspects.

Human security argues for rule of law based on secular and consent-based constitutions, negotiated settlements and institutionalization and greater use of international law for conflict resolution. It makes a plea for divided sovereignty, where the international community can intervene in cases of genocide and armed conflicts within states. It argues for increasing democratization, decentralization, peoples' intervention on foreign policy and security questions and the introduction of creative concepts like divisible sovereignty, shared territoriality and non-violent resolutions. It supports a greater role for the United Nations in intervening in cases of prolonged armed conflict. Gendered security argues for a further feminization of the human security approach. Legal experts have shown that most domestic and international laws need to be gender sensitive. The "neutrality" of legal institutions conceals gender biases inherent in them. Many constitutions the

¹⁰ In all cases of armed conflicts the state has used the armed forces to control and manage the conflict, treated these as law and "order problems, attempted" to use one faction against the other or repress the conflict. Most states have attempted negotiations primarily after much bloodshed and terror, or after intervention from "outside powers." Conflicts like East Timor, Sri Lanka, Georgia, Sudan, Ethiopia, Palestine, etc. have all seen international pressure. All these states have promulgated highly draconian national security laws and legislation. In all the regions of armed conflict emergency provisions like special powers for the Armed Forces and paramilitary are operational. Armed Forces have special rights like conducting searches without warrants, destroying shelters that could be hideouts, granting wide discretionary powers to even junior officers, disallowing assembly or meetings of large numbers of people, and giving immunity to officers who have committed human rights violations. Amnesty International Reports, 1998–2003, London.

¹¹ For example, hundreds of schools (in the East Timor) were destroyed during counter-insurgency operations; bridges and buildings in North and Eastern Sri Lanka were targeted during counter-insurgency measures, the Kashmir conflict has seen the destruction of hundreds of public institutions, etc.

world over provide for equality to all, but the interpretation of the laws does not give women the same rights as those given to men. Traditions, customary laws, social customs and culture underpin these inequalities which take much longer to change even after laws have been enacted (all South Asian states show this dichotomy). It has been repeatedly shown that negotiated settlements exclude women's issues since they are always relegated to a "later" day solution. For example, while the violation of women's rights was a reason for the change of the Taliban regime women in post-Taliban Afghanistan still feel insecure and unsure of equal rights either in society or before the law. Women's movements are still struggling for recognition of women's rights in human rights.

The Agency for Security

In traditional security, state actors (dominantly the male elite) retain exclusive power since national security is considered too sacrosanct to be transparent or subject to public debate or action. In some instances there is either a token or a real presence of women who are trained to become advocates of militarist and state ideologies. When security issues are debated publicly, women take on roles related to motherhood. For example in the 2004 US elections, where security is a major issue, the concept of "national security moms" was popularized in public discourse to show the security concerns of women (Gaffney, 2004). But here too, women are clubbed with children and primarily as mothers, rather than as equal citizens.

Conflict prevention and capacity building strategies target mainly official authorities, not the communities (and community leaders), individuals and women at risk. This also means that protecting and assisting people in internal conflicts is seen primarily from the perspective of national sovereignty—and the principle of non-interference not from a perspective of responsibility shared by states. State-centred security tends to reflect the concerns of a small policy making elite, which is likely to exclude the views of women, minorities—ethnic and religious—and marginalized communities. This exclusion itself eventually leads to movements that threaten the security of states. In present circumstances, a majority of the states are threatened from within rather than externally. This is especially true of Asia and Africa. Human security pleads for the active participation of people at all levels of security dialogues. It perceptively argues that without the involvement of people at the grass roots level issues of safety cannot be resolved.

Does a mandate of the people or representative institutions equally reflect gender balance? Peoples' institutions, whether they are parliaments, non-governmental organizations (NGOs), public institutions or international organizations have little gender balance. Women's agency and capabilities for peace and conflict resolution remain unutilized. In many conflicts, women play a role in bringing about peace in civil society. They use their power of bereavement and the agency of motherhood to talk of peace, as the mothers' movements in several conflicts like Sri Lanka and the Naga Mothers and the Meira Peibis of Manipur have demonstrated.

These movements have had their limitations, they have used their gendered and symbolic values for intervention, had factional links and setbacks, but have still worked at the level of civil society initiatives.

However, in all the conflicts in South Asia, where peace talks have been attempted (Sri Lanka, Kashmir, Nepal, Nagaland) women are absent from the negotiating table. This is because peace is being negotiated between the states and opposing militant forces. Civil society representatives and women are left out of the main negotiations which results in militarized or partial peace. Thus, unless special provisions are made for a gendered agency there is little likelihood of change.

The Goals of Security

The goals of traditional security are to protect the state's national interests by maintaining territory, sovereignty and ensuring hegemony of states. Though the traditional methods of security laid a clear emphasis on state security and took a militarist stance, the more democratic and "stable" states were able to resolve conflicts through providing social justice and building institutions for negotiation between communities. This meant widening the concept of security to bring in different points of view, including especially that of women to ensure a gender balance and make security sensitive to people. This method assists national security whereas militarist methods may well undermine it.

The human security approach argues that security can be empowering if it is linked to human rights and human development. It argues that states that do not accept these social ethics cannot protect people from critical and pervasive threats and situations (Human Security Now, 2004). In many countries that accept the conception of "peoples rights" women's rights are still not included in the democratic and human rights discourse. For instance, in India and elsewhere equality is a constitutional right, yet women do not have equal rights under law to family inheritance. In the US, women still do not get the same wages as men for the same amount of work. The goals of human security will be further widened if special efforts are made to include women and the marginalized at all levels of institutions and policy planning.

States that practice traditional security use the instrumentality of regional and collective security. The arena of traditional security has extended to regional military organizations like NATO, joint military exercises and global coalitions against terrorism. Globalization has increased this inter-connection to global elite connections. Human security also focuses on the inter-connectedness of globalization and advocates strengthening of international organizations like the United Nations and supporting international peace and social movements. A gendered arena would mean linking of women's movements to become a common rainbow alliance. It means a feminization of the peace and social movements, since women's issues often remain purely the concern of women.

The Political Economy of Security

Within the traditional security framework states incur huge defence expenditures. Acquisition of missile technologies and weapons is a goal and there is an increase in military, paramilitary and private armies.¹² Economies of countries with long unresolved armed conflicts suffer greatly because of this.¹³ Very often they have uneven development with an advanced military complex and poor consumer and social sectors. Further, their economies and social systems are militarized.

Human security clearly shows the need for equity based development, and favours increased spending on social sectors like health and education. The experiences of many African and Asian nations, however, show that development does not mean a gender balanced development. The development decades left out many sections of society, especially women. As the *Human Security Now Report* (2003) shows, women own a mere 2 per cent of the land globally. Thus, unless special provisions are made for women's economic rights and efforts made to change economic and inheritance laws in favour of women, this gender inequity will continue.

Theoretical Basis

Traditional security and national security paradigms are based on realist and neo-realist theories on the models outlined by philosophers like Machiavelli and Thomas Hobbes and developed by Clausewitz. These have been further refined by scholars like Morgenthau and later Waltz. All of these theorists viewed the international system as essentially anarchist and argued that states had to further their interests by increasing their power and might. The power of states could be checked by a balance of power and some international institutions backed by a collective of powerful states. The most powerful states in the international system accept and propagate this theory since international anarchy serves to further their goals and hegemony. The understanding of power in this paradigm is power over the other (Eisler, 2003). This "other", which is constantly being constructed and demonized, may not be a sovereign state alone and can be from another community, race, religious or political group or gender.

No doubt many Western states have through long processes of democratic cultures used capabilities and gendered approaches to resolve internal conflicts, but traditional and militarist security continues to be part of their foreign policy agenda.

¹² All the states in conflict have seen increases in their military budgets, the number of armed forces and acquisitions of weapons. In three of the Asian states official expenditure on military as percentage of GDP is higher than the expenditure on education and health combined. Two states are openly nuclear and 2 are known to have nuclear programmes. The Federation of American Scientists. The Arms Sales Monitoring Project Report, <http://www.fas.org>

¹³ States with prolonged armed conflicts fall very low in the Human Development Index and some fall in the medium HDI scale. For example: 43 per cent of states in the bottom half of the Human Development Index in the year 1994–2003, were at war. Human Development Index (2003)

Since the end of the Cold War, practitioners and academics alike have challenged this militarized conception of security and offered alternative views. The clearest opposition has come in the form of the human security approach that views security much more than the absence of violence. It encompasses human rights, good governance, access to education and healthcare and opportunities and choices to individuals. It advocates poverty reduction and freedom from want and fear. It is thus not just about protecting but about empowering (Human Security Now, 2003). At the same time, however, human security also accepts a neutral identity when it comes to gender, thus subsuming women under the paradigm of the universal man (Hoogensen and Rottem, no year).

Human security like gender equality is rooted in democratic theory. Women have had to struggle for equality but these struggles have a greater chance of success within democracies. Greater democracy is associated with a robust civil society. Democracy and civil society re-enforce each other, weakening one impacts negatively on the other. Women have the potential to be leaders and activists in civil society if given the opportunity.

Feminists support the human security approach but want to engender it because experience has shown that the concept of "people" still leaves out women, especially those at the margins. Further, as feminist theory shows, while structures and institutions remain patriarchal, women who are part of these processes also accept patriarchal and nationalist regimes. It is women's movements, feminists and others who oppose patriarchy and want to change the basis of power that question traditional security and patriarchy. Feminists thus argue for both a gender balance as well as a feminization of security.

The human security approach establishes that conflict data has been state-centred and not people-centred. These omissions have far reaching implications as violence remains hidden when it does not fit into the state-centric approach. The strategies to prevent and mitigate conflict then do not adequately address communities at risk, but rather address official authorities. The national sovereignty perspective is restrictive and does not allow shared responsibility (Human Security Now, 2003). A gendered approach would take the argument further to show that the most invisible group in conflicts to date has been that of women. There is little data and limited analysis of the gendered nature of conflicts, or even the implication of wars for women. Wars have been fought, chronicled and analysed by men. Human security, even when people oriented, will have to be engendered to correct this vision.

Suggestions for Engendering Human Security

Human security has been recognized by important sections of civil society as a necessary and inter-connected step towards guaranteeing security and as a pre-condition for ensuring rights and social justice. International organizations like the UN, international social movements like the World Social Forum, several

heads of states and multilateral and regional organizations have accepted and propagated this concept. Women's insecurity is a major concern for international organizations and states. Women's groups and social movements have emphasized this and it has also been recorded by the UN (Resolution 1325). There is thus a clear and unambiguous logic and necessity of merging these two concepts.

Historical experience has shown that human security needs to be engendered because women's security cannot be subsumed under peoples' security since women have special needs and have been marked as special targets. Women's security has to be simultaneously located with and should not follow after people's security. As nationalist struggles have shown, women have the experience of their rights being shelved for decades, where their rights have been reserved for "later" days. In some cases they continue to remain waiting.

Further, women's security needs to be defined and measured in different national, regional and local situations. Gendered Human Security Indicators similar to the Gender Development Index that is used in Human Development Reports can be evolved to highlight women at risk. These indicators will also point to marginalized communities at risk and will identify trends and share comprehensive cross-regional information and analysis to promote an understanding of the gendered nature of conflicts. They will also reveal the politicized experience of women's subordination and gender roles and the myths and beliefs around these roles at times of conflict to show how they influence and shape conflict. Feminist analysts have related the roles, experiences, needs and capabilities of women and men in conflict and shown the gendered aspects of the causes (both the structural or macro and subjective or micro) of war.¹⁴ The gendered nature of power at the site of every human interaction, as suggested by analysts needs to be measured at different points, specific to regional conflicts, before, during and after armed conflicts (Moier and Clark, 2001). This is necessary for revealing the extent of damage that such insecurity causes to civil and political society. Such analysis will also help in designing pre-emptive steps and policy to end gender insecurity.

Conclusion

Women's experiences as peace makers and the internationally vibrant women's movements show how women have practically used the gendered human security approach in their day-to-day civil society interventions in conflict situations. Women invariably combine the political, the social and the personal in their politics and will be the most effective propagators of such security concepts as flexible grass roots organizers. The success of concepts like human security rests with civil society activists, NGOs and social movements. Women have proved to be leaders

¹⁴ Tatjana Sikoaka and Juliet Solomon, *Introducing Gender in Conflict and Conflict Prevention: Conceptual and Policy Implications*, Report for UNU, INSTRAW, Santo Domingo, 14–16 December 1999

and effective workers in such movements. A robust civil society is more effective in influencing foreign policy where a human security perspective is operative rather than where traditional security predominates. All conflict zones have witnessed that the phenomenon of women combatants has increased in armed conflicts where women find it a method of empowerment, retribution and fulfilling nationalism. This reinforces the structure of power and hierarchy and women combatants maintain the myth of male supremacy and work on the belief that power is related to force and leadership is synonymous with masculinity.

It is evident that the concept of human security is a necessary and empowering idea with the potential to improve the terms of human existence when it is accepted by states. However, this idea remains incomplete because as arguments have shown, the concept of peoples' security will allow for the repetition of gendered structures at times of peace and conflict. These gendered structures are part of the chain that links to other conflicts and joins the spiral of violence. For human security to be complete in itself, it is thus necessary to engender the human security idea.

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Book Reviews

On World System

ROBERT A. DENEMARK, JONATHAN FRIEDMAN, BARRY K. GILLS and GEORGE MODELSKI, eds, *World System History: The Social Science of Long-term Change* (London and New York: Routledge, 2000). Pp. xiv + 345. Price not mentioned.

As social scientists of different persuasions are wrestling with the task of unravelling the current direction and trajectory of the global process—epitomized in the term “globalization”—world system history as a trans-disciplinary perspective/approach, it is claimed, offers at least some nuanced and critical but no less empirically well grounded insights. Notwithstanding its acknowledged virtues world system history, however, is no less riddled with an array of conceptual and methodological problems to probe the limits of world system model(s), including versions with and without the hyphen, and with or without the plural.

The book under review is a compendium of papers presented at a special conference in the University of Lund, Sweden and it belongs to that branch of world system history which neither hyphenates the words “world” and “system”, nor affirms the plurality of the world system. Despite the claims made by the editors that the papers “were subsequently refined in the light of interaction made possible” at the conference, many of the contributors to this compendium owe their intellectual inspiration to Immanuel Wallerstein’s seminal work on this theme entitled *Modern World-System: Capitalist Agriculture and the Origins of European World-Economy in the Sixteenth Century* (New York: Academic Press, 1974). The unfortunate legacy of Wallerstein’s approach is the term “world” which he uses to mean self-contained, not global or planetary. As he says, “my ‘world-system’ is not a system ‘in the world’ or ‘of the world’. It is a system ‘that is a world’.” (Emphasis added. See Wallerstein “World System vs. World-Systems” in A.G. Frank and B.K. Gills, eds, *The World System: Five Hundred Years of Five Thousand?* London: Routledge, 1993, p. 294.)

Making these general remarks at the beginning is not intended in the least to deny or devalue the rich contents of the book under review. For one, the remarkable degree of cross-referencing in the book and the efforts made to clearly delineate the formulations presented, including the relationships among them, are admittedly the merits of this compendium. Structured around four general rubrics, Part I

presents each of the four theoretical approaches in separate chapters; Part II illustrates instances of key processes in a set of trans-disciplinary regional and temporal studies; Part III considers a set of global macro processes; and Part IV deals with comparison, cumulation and future development of the field.

In the first theoretical approach, Andre Gunder Frank and Barry K. Gills, advocate the "humanocentric", rather than the Eurocentric approach, underlining the normative aspiration to "rechannel the impulses of rebellion so prevalent in the present world crisis situation in a more positive direction" and "learn to accept our differences while recognizing our common history and working toward our common future" (p. 23). Delineating the second approach, George Modelski conceives world system change as the "product of an evolutionary process, or better still, of an array of evolutionary processes" which according to him is the "story of humans learning to be human" and his world system is "a form of species organization" (pp. 24–25). Outlining the third approach, David Wilkinson, recognizes civilizations as world systems and, generally, world systems as civilizations. His civilizations are "not identical to a culture, a language, a religion, a 'race', a class, a state or a nation" but are macro societies "whose boundaries ordinarily include many national, state, economic, linguistic, cultural and religious groups", at present only one civilization "exists on Earth, of global scope, without a periphery into which to expand further" (p. 61). The fourth approach, described by Christopher Chase-Dunn and Thomas D. Hall, takes "world-systems, properly conceptualized and bounded, [as] the fundamental unit of analysis of social change" (p. 85), in order to "address the real problems and possibilities of the contemporary system" (p. 110). These detailed studies, many marshalling exhaustive empirical evidence, would be of value in themselves even if they did not contribute to an understanding of the parameters of the field.

Underlining the need to evolve a "new kind of discipline" that would "see the world as being made up, not of cellular units of culture, but of growing arenas for competing regimes of value" (p. 116) in Part II, Andrew Sherratt suggests that "[l]ong-lasting structures which expand through time (the calyx image) seem to be a better representation of important phenomena as they can be reconstructed over long periods than does the more passive image of successive layers" (p. 119). In the same vein, Jonathan Friedman discusses similarities in economic organizations and continuities in modes of cultural identification "not worlds apart from the modern world system" (p. 152). On the basis of a case study of the evolution of the state in southern Mesopotamia, Kajsa Ekholm-Friedman argues that a contemporary problem of "today's global system is the lack of political control over the globalized economy" while realizing that "this lack of political control is exactly what has made the international economy so dynamic for thousands of years" (p. 153). In contrast to the generally held view that ancient Egyptian society was a system of slavery in the service of the state, David Warburton describes it

as "a kind of nascent capitalism" (p. 173) creating significant "wealth, employment and economic growth" (p. 169) from surplus production and investment. Stephen K. Sanderson, while attempting a reappraisal of agrarian societies on the basis of "materialist view of historical change", suggests that "the whole process cries out for much more extended study", which according to him would reveal that "human history is a world-historical evolutionary process operating simultaneously on the economic, demographic, political, technological, and ideological planes", even if the economic has been dominant (p. 197).

Part III comprises a cluster of papers, each of them dealing with a different theme. William H. McNeill posits "paying attention to information networks offers a more promising way to understand human history" (p. 201). Sing C. Chew draws attention to "the dynamic-exploitative relationship between the process of accumulation and Nature" (p. 216). Arguing empirically from pre-Columbian Andean history as well as the contemporary world, the central focus of Alf Hornborg's paper is "capital accumulation". Claudio Cioffi-Revilla "examines the puzzle of scales in long range analysis" (p. 271), like for example, scales of belligerence (war versus warfare) and scales of process (macro versus micro). To Andrew Bosworth, the "structure, connectivity and degree of differentiation" is what matters in the "world-city system" (p. 283).

In an attempt to offer a critique of the four theoretical approaches and the empirical studies they ground, William R. Thompson argues (though not convincingly) that they share a "commitment to the idea that contemporary structures and processes are embedded in a long-term, historically contingent context" which "is not *a* or *the* basic watershed" (p. 287). Yet, he is of the view that "the deeper one probes, the more superficial the similarities begin to appear" (p. 296) whereas Robert A. Denemark is of the view that convergence and cumulation are taking place, particularly "in terms of the asking of like questions" (p. 302).

Whether one entirely agrees with Denemark or not, the compendium certainly does not supply all, or even many, of the answers. Rather, it provokes useful questions, which when answered will tell much more than we know now. It is of less importance whether specific hypotheses, assumptions, or previous conclusions survive such future examinations. After all, it is the critical scrutiny that counts. From that perspective, it may be stated that the edited compendium by Denemark and others offers scope for developing a number of refined hypotheses that can be tested in the future agenda of social science studies. Finally, such studies will lead to an improved theorizing about how systems form and transform, and to a better understanding of the processes of change.

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Collective Response to Peace and Security

NEIL FENTON, *Understanding the UN Security Council: Coercion or Consent* (Aldershot: Ashgate Publishing Limited, 2004). Pp ix + 246. Price £47.50.

The book dwells upon the development of the peacekeeping doctrine by analysing the issue of consent at the strategic level, i.e., at the level of member governments associated with the decision making of the United Nations Security Council (UNSC). Fenton contends that members of UNSC have largely continued to adhere to consent as a basis for UN operations despite their increased reliance on Chapter VII measures. Chapter VII was normally used to create jurisdiction for the Security Council in cases where a sovereign authority was absent or under threat and also to bolster the self-defence provisions available to UN troops. Only rarely was it used in order to permit the implementation of a particular mandate through the use of force, and when this occurred there was significant reluctance among UNSC members to do so, even in the face of serious violations of human rights. Any pursuit of humanitarian objectives with the authorization to use force usually coincided with the strategic interests of one of the P-5 members of the Security Council and it was this interest that galvanized any UN-mandated interventions. Fenton exemplifies this assertion by taking up specific situations to which the Council responded during the first half of the 1990s.

In the case of northern Iraq the continued centrality of the principle of consent to the Security Council was much evident. The Council's preference to abide by the principle of consent enabled the government of Iraq to agree to the deployment of the UN Guards, while firmly resisting any suggestion for the deployment of a full-fledged peacekeeping force (p. 63). But by no stretch of imagination can the UN Guards be regarded as peacekeepers. Moreover, as the book acknowledges, the Council's preference not to step on Iraq's internal authority could not stop two permanent members (the United States and the United Kingdom) to adopt a coercive strategy outside of the UN framework in northern Iraq.

The fact that the US-led UN authorized humanitarian intervention in Somalia in 1992 was devoid of any humanitarian content has been poignantly brought out by the author (though one expected some discussion on human suffering in that country which became an international concern). Despite getting the authorization from UNSC to use "all necessary means", the Bush Administration restricted the rules of engagement of the US-led UN Task Force (UNITAF) to such a degree that it operated much along the lines of a traditional Chapter VI peacekeeping force. Notwithstanding the fact that the invocation of Chapter VII implied dispensability of consent from the government of Somalia (which did not exist any way), it is clear that in tactical terms local consent was still essential in order to allow UNITAF to implement its mandate with minimal casualties. This emphasis on consent prevented American forces from attempting to disarm the Somali factions for fear of sustaining casualties. Again, the UN action to send yet another fresh peacekeeping mission—UN Operation in Somalia-II—under Chapter VII

to replace UNITAF was viewed by members of the Security Council as the strengthening of state sovereignty. The Council's deviation from adherence to the consent principle at the strategic level was understandable due to the absence of a functioning government in Somalia. However, the Council's authorization for use of force prompted direct conflict between UN peacekeepers and the faction led by Somali strongman Mohammed Aidid. As has been rightly noted by the author, the ground level confrontation ultimately led to the failure of UNOSOM-II and led to a harsh legacy that would affect the conduct of future peacekeeping operations (p. 97). However, the reasons why the United States, having effectively tried a non-coercive approach for UNITAF previously, switched to coercion and a strategy of confrontation as part of UNOSOM-II should have been looked into in view of the sheer impact of the switchover of the profiles of both the Security Council and UN peacekeeping.

In terms of consent for launching "Operation Uphold Democracy" in Haiti, Fenton correctly notes that the members of the Security Council experienced dual compulsions—to obtain the support of the *de jure* regime in exile in order to make UN actions legal, and also take up activities that met the practical cooperation of the *de facto* government (p. 98). The UN's initiatives were, in effect, caught in a "consent trap". The consent-based mission authorized for Haiti meant near absolute tactical consent on the ground as well as strategic consent from the *de jure* and *de facto* governments.

The Rwanda situation in 1993 appeared to be well suited to a Chapter VI traditional peacekeeping operation in view of the signed peace agreement committing both Rwandan parties to cooperation with, and consent to, UN involvement in its implementation process. However, as the Canadian force commander of UN's peacekeeping force there critiqued, the UN's assessment of the consensual basis of the operation was superficial "and did not clearly reflect that there was considerable opposition amongst the hard-liner government elements, and more importantly, their militia to the peace agreement" (p. 127). In the aftermath of the April 1994 genocide, the members of the Council were clearly reluctant to assume the risk of intervening in Rwanda, even with Chapter VII authorization. Instead, they waited in vain for near total consent on the ground from Rwandan rival parties in order to mitigate risks to the UN peacekeepers (p. 138). Clearly the restrictions with respect to domestic jurisdiction did not prevent the Council from taking very limited action under Chapter VII to counter the genocide (p. 146). On the other hand, the French offer to lead a Chapter VII authorized multinational force to provide protection to threatened civilians in Rwanda was initially greeted with scepticism about its capability to undertake the job with impartiality. In short, the over caution that UNSC members adopted after the genocide in Rwanda contrasts with the enthusiasm associated with the authorization of the UNOSOM-II in Somalia.

In Bosnia, where according to the writer, the UN indulged in an exercise of "creeping escalation", UNSC action remained squarely based on the consent and the cooperation of the host parties (p. 153). The members of the Council were

caught between implementing two very different types of interventions: one directed towards minimizing the humanitarian impact of the fighting, and the second aimed at preventing the acquisition of Bosnia's territory by force. The first objective was best achieved by consent-based peacekeeping methods while the latter appeared to require a more forceful approach. Ultimately the UN Protection Force (UNPROFOR) came to reflect elements of both types of intervention (p. 159). However, the limits of applying force in the context of a consent-based peacekeeping operation mandated to protect civilians and deliver humanitarian supplies was demonstrated in early 1994. Even though UNPROFOR had the legal authority to use air power, it was not a practical option for UNSC. Interestingly, the unhappiness of the Bosnia Government stemmed not from its concerns about UNSC infringing on its sovereignty, but rather from the failure of the Council to adequately protect the Republic (p. 179).

The last case study chapter in the book is on Iraq and asserts that the UNSC treatment of the Iraqi situation in 2002–03 was no different from the cases of the early 1990s. According to the author, members of UNSC preferred consensual and diplomatic methods for resolving the dispute about the elimination of dangerous weapons (WMD), rather than rushing to authorize the use of force as the United States and the United Kingdom would have liked. It is difficult to go along with the argument that adoption of resolution 1441 in November 2002 exemplified the Council's respect for Iraqi sovereignty, whereas in fact the text demanded (and subsequently the Council secured) from Iraq a formal undertaking to cooperate with the implementation of the terms of the resolution.

However, despite this snag, Fenton undertakes an excellent study highlighting UNSC's preferred approaches and attitudes in the Security Council that have characterized collective responses to peace and security problems in contemporary times. However, the intent of the author would have been better served if the numerous language and proofing errors that have crept into the text had been avoided.

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Technological Dynamism

SUNIL MANI and HENNY ROMJIN, eds, *Innovation, Learning, and Technological Dynamism of Developing Countries* (Tokyo: United Nations University Press, 2004). Pp. 242. Price not mentioned.

Technological change is critical for raising productivity and thereby raising per capita income in poorer countries. Even if a developing country adopts very simple manufacturing processes and imports the technology for these, it is still important

to develop its capacity for adaptation in order to achieve the maximum benefits from the imported technology. The need for developing such technological capability has increased in the more open trade policy environment that developing countries are now adopting. Developing countries are now also more dependent on inward flows of foreign direct investment (FDI). However investment will only flow into sectors or sub-sectors where a country has a comparative advantage. And FDI benefits will be enhanced if the country can successfully absorb the new technology. Consequently, a country's policies that influence its technological capacity are very critical.

This book confirms what other studies have found that the share of technologically sophisticated products in the basket of manufactures exported by developing countries has been growing. It then analyses in considerable detail the development of trade in sophisticated products and goes on to discuss the policies in some countries that have enabled them to develop their technological capabilities.

The credibility of the entire exercise is, however, severely strained by the empirical exercise undertaken by Mani, one of the editors of the book in the introductory chapter. He states that by 1998, 26.84 per cent of the manufactured exports by developing countries were of the high-tech variety, whereas 21.16 per cent of the manufactured exports by the developed countries were of the high-tech variety. It is difficult to accept a claim that the share of high-tech items was greater in the exports of manufactures by developing countries than it was in the exports of developed countries. This set of numbers is not an aberration. Malaysia and the Philippines have a greater share of high-tech manufactures in their export basket when compared not only to Korea, but also to, among others, the US, Japan and the UK. Also, when he calculates the indices for revealed comparative advantage, Mani mentions that the developing countries are more competitive in high-tech manufactures than the developed countries for most years. He also calculates the net trade in high-tech items and finds that both the developed countries and the developing countries are net importers of high-tech items. Then who are the net exporters?

The entire statistical exercise raises serious questions as to what is happening. It strains credibility that developing countries would perform better than developed countries in exports of high-tech manufactures. Obviously, a mechanical identification of certain eight or ten digit industries as being high-tech is not sufficient. A detailed analysis of products that are truly high-tech or use of other indicators is needed. This is a very fruitful area for future study. Most of the time, Mani does not seem to be aware of the strange nature of the statistical results. Even when he notes them, as in the case of the revealed comparative advantage, he makes nothing of the result and does not see it as an anomaly that needs explaining. Such a cavalier attitude raises questions about the seriousness of not only the participants in the seminar and exercise, but also about those at the United Nations (UN) overseeing the project and whosoever reviewed the book for the publishers.

The case studies from Singapore and Brazil raise interesting questions. Statistical analysis of productivity growth in these two countries would have been extremely

useful as a supplement to the analysis based on interviews. It is recognized that 70 per cent of Singapore's GDP comes from services. However, the implication of this for technological dynamism is not explored. It is not analysed whether productivity has increased in the services sector or whether the policies adopted in Singapore have enabled a greater adoption of service inputs into the manufacturing sector thereby raising productivity in manufacturing. The education policies for technological growth in services may be very different from that for technological growth in manufacturing. While the essay by Ebner makes a good beginning, further analysis is needed to answer some very interesting and important questions.

The essays on the automobile and aircraft industries in Brazil raise very pertinent questions, particularly in the context of liberalization. The privatization of EMBRAER, the Brazilian aircraft company has resulted in a marked increase in the production of inputs by technologically more advanced producers from developed countries. It is implied, but not discussed adequately, that this has raised productivity and enabled the company to penetrate export markets. It is recognized by the author that the inflow of foreign input suppliers may have slowed down the development of Brazil's technological capability. But this issue is not discussed further. Similarly, the author of the study on the automobile industry does not tackle the question of increased productivity in the short run arising from the use of more sophisticated foreign suppliers versus increased productivity in the long run when domestic capability is raised. In this context it would have been very interesting to compare the rate of technological and productivity changes in the automotive industry in Brazil against that in Korea, and also to compare other indicators of performance. The Brazilian industry has, relatively speaking, specialized in components, whereas the Korean industry has produced the entire vehicle.

The book deals with a very important topic for developing countries—what policies to adopt to raise their technological capabilities. If developing countries do not raise their capabilities they would condemn themselves to a very slow growth of per capita income. In addition, they would not be able to compete in international markets and would condemn themselves to perpetually facing the balance of payments problems. A number of challenging research questions are identified in the book like the increasing technological capabilities of developing countries and these need further analysis.

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Enlargement and Integration of Europe

FRANK SCHIMMELFENIG, *The EU, NATO and the Integration of Europe* (Cambridge: Cambridge University Press, 2004). Pp. 323. Price not mentioned.

When efforts to unite Europe got underway in the aftermath of the Second World War, the focus of attention was confined primarily to Western Europe as the onset of the Cold War led to a vivisection of the continent along ideological considerations. However, the founding fathers of the European unity movement, especially the visionaries among them, had dreamt of a truly united Europe in the geographical sense of the term—a unity that would be able to transcend the barriers of ideological, political and even cultural divisions. The realists among the West European leaders did not expect this to happen—at least not in their lifetimes or even within the foreseeable future thereafter.

The end of the Cold War in the late 1980s and the disintegration of the Soviet block—not quite anticipated by the protagonists of the European Community (as it was known then) opened up virtually a new vista in the realm of integration and its extension into the hitherto uncharted territory—geographically and even metaphorically—of Central and Eastern Europe. Consequently, since the early 1990s the debate about “deepening” and “widening” integration has assumed a new dimension as the issue of the eastward enlargement of the community and its implications for the institutions and policies of the organization has become a major concern in the policy making circles in Brussels. Notably the issue is not confined to the European Union (EU) alone but also includes the North Atlantic Treaty Organization (NATO) and to a lesser degree the Council of Europe (COE).

Quite naturally the issue of the eastward enlargement of these regional organizations, especially EU and NATO, has generated a large body of literature in the recent past. However, considering the political relevance and importance of the subject it is quite striking that this literature suffers from a notable theoretical neglect. The theoretical debate in International Relations/regional integration studies which has revolved primarily between “intergovernmentalism” and “supranationalism” continued to focus, even in its revived form in the 1990s, exclusively upon issues of “deepening” like the single European act, the currency union or legal integration. Whatever work has been done on enlargement consists of descriptive and often policy oriented studies. The book under review seeks to fill this theoretical void.

The present study seeks to explain the principal enlargement decisions of EU and NATO in 1997. The author frames two basic research questions: why Central and Eastern European Countries (CEECs) were motivated to seek inclusion into NATO and EU? Why did the member states of these two organizations agree to take them in? A related question arises in this connection—what is the basis/criteria of selection or rejection of states applying for membership and whether that constitutes a consistent and uniform set of rules/principles?

In answering these questions, the book advances two principal arguments. First, it is the constitutive liberal rules and values of the Western international community—and not the combination of material, security or economic interests and power—that explain the expansion of NATO and EU into Central and Eastern Europe. Second, it is through rhetorical action—defined as “the strategic use and exchange of arguments to persuade other actors to act according to one’s preferences” (p. 5)—rather than a logic of appropriateness—that these community rules have influenced the process of enlargement.

The author starts from the premise that enlargement is a theoretical puzzle. However, he is convinced that the International Relations theory not only has the tools to generalize and systematize the enquiry into the enlargement puzzle but the empirical realities of the puzzle will also enrich existing theoretical knowledge. The author seeks to solve the puzzle from two vantage points: (1) Rational Institutionalism; (2) Sociological/Constructivist Institutionalism. Moving beyond the sterile debate and false dichotomy of these two meta theories the author refuses to comment on their relative utility and uses both as “partially competing and partially complementary” (p. 11). He concludes that neither of the two offers a complete explanation for the eastward enlargement but both are indispensable for evolving an understanding and ultimately creating a more efficient explanatory framework (Rhetorical Action Framework). However, in order to sustain credibility of analysis the author does not restrict himself to theorizing alone but undertakes a large n-study of enlargement events to increase leverage and test his hypothesis thus imparting methodological soundness to the study under review.

The first meta theory of Rationalist Institutionalism, used by the author, including both neo-realism and neo-liberalism, argues that compliance with international rules by states in the international system is conditional upon cost-benefit calculations. Therefore the CEECs joining NATO/EU can be explained by the rationalist school since such action is beneficial for these states. However, the rationalist argument does not explain why the existing member states of these organizations agreed to include CEECs because crowding costs, heterogeneity fallouts, new weak states diluting NATO’s military capability or EU’s economic solidarity, increased security risks and alliance costs gave many strong reasons to them to refuse inclusion. To overcome this problem the author resorts to sociological institutionalism.

Inter-state organizations represent a set of constitutive norms, values, ideas, beliefs and rules which project a desirable definition of collective identity. New states are interested in joining these organizations in so far as the umbrella of collective identity serves to legitimize their political and social values/goals. The interest of existing members in enlargement is due to the international socialization of their culture, values and ideas—their universalization, acceptance, boost to their self-esteem and the confidence that they draw from this.

Thus, though rational calculations dictated otherwise, member states of EU/NATO agreed to include former communist states to socialize them into the Euro-Atlantic liberal internationalist doctrine of domestic democratization and respect

for human rights, and (at the international level) Kantian democratic peace (perpetual peace). CEECs also argued along lines of not only geographical but cultural-ideational proximity and identification with Western Europe. In the process they shamed the anti-enlargement members to shun rational (i.e., selfish) calculations for larger normative concerns.

However, a problem still remains. Though sociological institutionalism or constructivism could explain both the CEECs' and existing members' rationale behind enlargement it fails to explain the imposition of inconsistent standards of selection; for instance, conforming to the liberal-democratic norms can at best be a sufficient though not necessary condition for inclusion since dictatorial, non-democratic states also apply for inclusion. Sometimes the liberal-democratic norms are not even a sufficient condition because democratic and well-off states like other EFTA members are neither interested in joining and nor are they asked to by the EU.

Therefore, enlargement preferences are not as norm-guided and uniform as the sociological school would predict and there is evidence of opportunist, rational cost-benefit analysis too. The author calls this the "double puzzle" of enlargement. For a solution, Schimmelfenig turns to rhetorical action combining both constructivist and rationalist ontology. Rhetorical action is *strategic use* of an identity-based normative argument to persuade others into conceding legitimacy to individual political claims. In NATO and EU actors interested in enlargement used rhetorical action to shame opponents into acquiescence whereby even morality was manipulated by the logic of needs/interests. Consequently, opponents became rhetorically entrapped in the slogan of "return to the folds of European civilization" of countries who had always belonged to this civilization. It may, however, be noted that the NATO case study gives less conclusive evidence of rhetorical action than the EU.

The conclusion drawn by the author from his rigorous theoretical analysis is that rationalist institutionalism was limited by its solely materialist ontology and constructivist institutionalism by its emphasis on normatively-cognitively appropriate action in explaining the total reality of eastern enlargement. "Under the condition of international community, international normative order does not have to wait for deep socialization or favourable interest constellations. As a result of rhetorical action and the constraints under which it operates, it also works among self-interested and strategic actors and in adverse constellations of material preferences and power" (p. 287). Therefore rhetorical action is the most adequate theoretical framework available to explain the eastern enlargement of NATO and EU.

The issue of eastward enlargement presented to these organizations a serious challenge in the aftermath of the end of the Cold War. As already mentioned, the growing body of literature is evidence of the attention the subject has attracted in recent years. The study by Frank Schimmelfenig will certainly stand out as an outstanding contribution in this genre of literature in view of the very pertinent research questions it raises, its theoretical rigour and its sound methodology.

This book is a treat for the theoretically inclined reader though even the non-theoretician will find the chapters offering empirical analysis informative and insightful. This book is indeed a major contribution to the growing body of theoretical literature in post-Cold War International Relations studies. It also adds a new dimension to the study of European integration in the early twenty-first century.

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Human Values and Rights

ANTHONY J. LANGLOIS, *The Politics of Justice and Human Rights* (Cambridge: Cambridge University Press, 2003). Pp. 214. Price not mentioned.

The abuse of prisoners in the Abu Ghraib prison in Iraq is just the tip of the iceberg, that reveals the extent of human rights abuse prevalent in even the most developed and liberal societies. The political context in which these rights abuses are being dealt with is testimony to the fact that these are matters of international concern.

The concept and practice of human rights has become the moral yardstick by which states and leaders are measured by the international community. Human rights are instruments of ethical legitimization, even though laws in most states allow loopholes for their abuse and international law is unable to set standards or methods for their adjudication. What rights come under this broad umbrella of human rights and do these rights have cultural and geographic specifications are issues that have been a subject of much debate.

Western governments have used human rights standards to castigate the records of the former socialist and Third World regimes. Since Western regimes focus on civil and political rights to the exclusion of economic rights, others have critiqued them on this bias. Human rights and their abuse have been used as instruments to intervene in Third World countries and effect regime changes and this has been resented on grounds of violation of sovereignty by other states. Several Asian leaders like M. Mahathir of Malaysia, President Suharto of Indonesia and Lee Kuan Yew of Singapore have spoken of specific Asian values that have challenged the idea that rights were primarily a heritage of enlightenment. This book is an analytical critique of this philosophy of Asian values.

Mahathir was the most outspoken advocate of Asian values as specific rights as opposed to the conception of universal human rights. He built his paradigm by

showing that the West had double standards on rights as it used the human right instrument to intervene or impose sanctions on states when it politically suited it to do so. At the same time, when some regimes violated basic rights, the West chose to ignore these, since these states were Western allies. He has argued that Western standards of human rights were not applicable to Asia since Asian values derived from ancient traditions that had shaped community values in ways distinct from those derived by enlightenment thinkers. Instances like those revealed in Iraq's prisons will only strengthen this view. Langlois shows how Singapore put forward similar ideas but in a much more muted fashion. This, of course, is not surprising given the authoritarian nature of the regime and thus its vulnerability. The author details the arguments of these regimes in the backdrop of their economic successes and crisis, but also shows that genuine debates on human rights do not hinge on the fluctuation of international capital markets.

Langlois outlines the various critiques that were levelled against the Southeast Asian elites' conceptualization of Asian values. For instance, the arguments that human rights are culturally specific and thus relative is critiqued to show the common values of basic rights. Similarly, the argument of these regimes that their economic development justified authoritarian policies, or international policies are responsible for internal civil and political rights violation are all systematically shown to be flawed. For example, instruments like the Geneva Convention are universally applicable.

Langlois examines the emergence of the human rights discourse in Southeast Asia historically. He lays emphasis on religion and shows how Islam influences the rights discourse in these contexts. But the problem is that cultural values that people hold often violate human rights. For example, all religions were opposed to equal rights for women and saw them as inferior to men and allowed their rights to be curbed. Thus, predicating cultural values over individual rights denies human rights and gives privilege to cultural rights. This has been the dilemma of recent debates in Europe as the banning of headscarves for girls in schools in France recently highlighted.

Langlois details a history of the Western conception of human rights, which asserts their universality and the philosophical and social history that shaped these ideas. He traces this from the political thought of the enlightenment to the liberal philosophy of nineteenth century liberal philosophers. He argues that human rights were the outcome of a political theory that sought to establish a universal civilization based on an autonomous and critical rational morality. He details that while universal human rights are presented as an ahistorical phenomenon, they were in fact embedded in deeply political debates. But while making this claim liberal philosophers tend to fall into a trap that is similar to that of the Southeast Asian leaders' discourse. By accepting a universal application of Western philosophy over others, including Eastern philosophy, without locating it within a context or source they neglect the problems of both streams of thought. The fact, for instance, that liberal philosophy disregarding economic rights, which according to many are the basis of other social and political rights, meant that the liberals

were denying human rights in a convoluted way. That is to say, those in extreme poverty do not have the right to have rights.

Langlois argues that the grand project of enlightenment failed because it was unable to sustain the claims it made on behalf of an autonomous human reason. That it could justify an independent rational morality. After examining a gamut of models of the human rights discourses, Langlois is supportive of the theorization built by Chantal Mouffe, where she argues that contemporary political philosophy ignores the political. Langlois takes this a step ahead. He argues that when political philosophy argues on the basis of neutrality, it is actually always covertly political. Thus a political model of human rights which acknowledges its political heritage and intent is the one that can restore any universal concept of human rights.

Langlois takes us through much of the debate and philosophy of the rights discourse in making his point. This makes it a useful exercise for students, especially since human values and rights are clearly becoming an aspect of international politics. At the same time, while Langlois focuses on the political context, the social and economic rights also need to be considered, especially in the current scenario of globalization, where 40 per cent of the world's population lives below poverty levels and in inhuman conditions. What rights can these people claim, when they are denied even the right to know what their rights are?

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Of Related Interest

Child Labour and the Right to Education in South Asia

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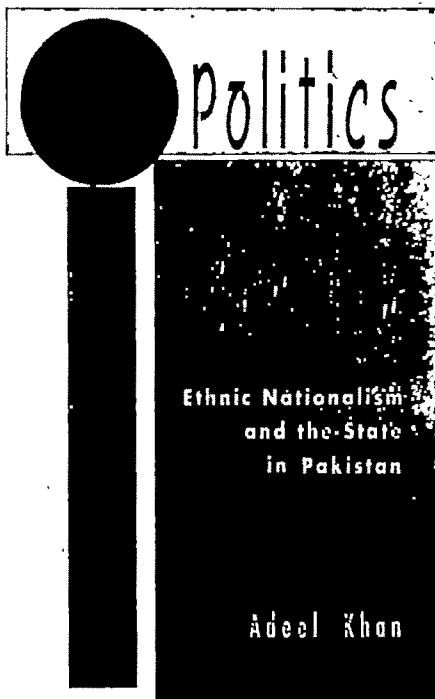
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International Studies

**VOLUME 42
NUMBERS 3 & 4**

JULY–DECEMBER 2005

SPECIAL ISSUE
China's Foreign and Security Policy

**Journal of the School of International Studies
Jawaharlal Nehru University**

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Special Issue: China's Foreign and Security Policy

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EDITORIAL NOTE

International Studies is happy to bring out this special double issue on the broad theme of China's foreign and security policy. The articles have come in from Chinese as well as Indian scholars. Dr Madhu Bhalla was helpful especially in regard to the articles from the three Chinese scholars.

As an exception to the articles in the present issue, *International Studies* is carrying an article by a senior scholar on the institutional evolution of the School of International Studies in observance of the Golden Jubilee of the School in October this year.

The journal will be pleased to consider special issues on specific, contemporary themes.

Golden Jubilee of the School of International Studies: An Assessment*

M.S. Rajan

The School of International Studies (SIS) of Jawaharlal Nehru University (JNU) would be completing this year five decades of existence since its establishment in October 1955. The "Indian School of International Studies" (ISIS), as it was known until 1970, was conceived as a pioneer institution to engage in and promote the systematic and sustained study of international relations. Since then the School has developed into one of the largest academic centres of its kind, with an enviable standing among scholars throughout the world. Several aspects have contributed to this process especially in the formative stages. At the same time it is also true that certain developments have come in the way of a proper and full-blown growth of international relations and area studies as a distinct field of study. The Golden Jubilee serves as an opportunity to recapitulate these aspects, even though many of them have been reiterated in the past.

Institutional Issues

The School's principal founders like Hriday Nath Kunzru and A. Appadorai, President and Secretary-General of the Indian Council of World Affairs (ICWA), respectively, envisaged it as an institution to train specialists in international affairs and area studies and thereby promote Indian expertise in the field.

Prof. Rajan, who has been closely associated with the School right from the days of its inception, is currently the Emeritus Professor at the School of International Studies since 1986. He served the School in several capacities like its Director during 1965-71 and the Editor of this journal during 1963-74.

*This article is based on the author's own writings during the past two decades and more on related themes. Some of them were published in *International Studies* as evident from the references at the end of this article. The article also draws from two unpublished sources, viz., a manuscript written by the present author in 1984 on "ISIS/SIS Origin and Development: 1955 to 1980" and the Appadorai Memorial Lecture on "Appadorai and International Studies" delivered by the author in April 2002 at SIS.

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Interestingly, while looking for a suitable name, some like Appadorai initially did not favour the qualification "Indian" because (as he then told the present author) foreign scholars would then suspect that the institution would project merely Indian views on foreign policy/relations. The preference was to name it as "Delhi" School of International Studies (on the lines of the London School of Economics and Political Science [LSE] and the Delhi School of Economics). Eventually, the point was persuasively made that the word "Indian" in the name of the School could not necessarily be interpreted as chauvinistic (Rajan, 1991: 174). Years later, the name of the School again became a bone of contention. At the time of the merger of ISIS with JNU in 1970, not only was the Indian prefix dropped by common agreement, but the then Vice-Chancellor, G. Parthasarathy proposed to rename the School as "School of Diplomacy and International Affairs"—identical to the name of the Fletcher School of Law and Diplomacy at the Tufts University in the United States. Just as the School authorities resisted the change, thankfully both the University Grants Commission and the Government turned down the idea (Rajan, 1997b: 199).

ISIS was, initially, a constituent unit of the University of Delhi (1955–1961). As such, during those six years, ISIS faced many unusual problems, partly because the development of ISIS required certain facilities and financial provisions to promote a largely new intellectual disciplines of international and area studies, which a traditional university did not offer. These included recruitment/training of staff for a new discipline; induction of foreign visiting professors; financial provisions for field work in India and abroad for teachers and students; foreign exchange for acquiring rapidly research materials about current international and area studies (Rajan, 1991: 170–71). What was equally important was that decisions on these matters had to be taken urgently and without red tape; this was not possible for the School authorities because of the dilatory procedures of a traditional university. There was also the difficulty of persuading the university teachers and administrators (as well as heads of other constituent units of the University) that ISIS needed these, somewhat exclusive, facilities more than the other institutions. The University was prepared to accept only some of the special needs. Moreover, some functionaries of the University wanted ISIS to shift from Sapru House to the University campus (like the other constituent units). ISIS authorities were unwilling to do this, largely because of the location of the specialized library in Sapru House premises (Rajan, 1991: 171).

However, because of these continuing problems (and perhaps too, the usual personality conflicts) ISIS succeeded in getting from the Government (and the UGC too although, reportedly, with reluctance) in 1961 the autonomous status for it under Section 3 of the UGC Act. Thereby, ISIS became a "Deemed University", that is, a university for all practical purposes, especially for conferring its own degree, the doctorate. It permitted the School to deal directly with the University Grants Commission (UGC) and the Government (as in the case of Central Universities) and address the ISIS problems expeditiously, especially with regard

to engagement of experts as visiting faculty or provision of sufficient grants for students' field work outside the country. The new status also helped enhance the standing of ISIS in the academic/intellectual world (and, consequently, the standing of the doctoral students/teachers and their research) (Rajan, 1991: 171-72).

Because the School was like a "daughter" of the ICWA and it was also located in Sapru House for many years after its establishment until it moved into its own building on Ferozeshah Road in 1968 it was natural for ISIS to enrich the ICWA library from its own financial resources (and thereby make the ICWA library partly its own), rather than build a new one. During the 1960s, the Sapru House library became one of the greatest research libraries in Asia on international affairs and area studies. The partitioning of the library after the School became part of JNU was one of the tragedies that struck ICWA as well as ISIS.

ISIS received adverse (if somewhat intrusive) attention in Press and Parliament during the late 1960s on account of the unwarranted controversy generated about the refusal to permit thesis writing in Hindi. Besides, the Estimates Committee of Parliament went into some aspects of ISIS and submitted a report. However, the fact of the matter was that ISIS was guilty, not so much of grave errors or shortcomings, but of nonconformity to conventional ways of universities. With a view to ensuring that the interests and morale of the staff and students were protected the ISIS accepted in June 1970 the offer to become "centre piece" of the newly established JNU. Although the merger gave rise to hopes for increase in faculty strength, it did not happen that way excepting that two new fields of study, viz., Diplomacy and Disarmament, were added.

After the merger, the departments of both functional and area study categories were reorganized into Centres to bring SIS in line with the arrangement in other newly established Schools. Regrettably the reorganization exercise smacked of imposition from above without properly involving the departments and the academic staff in the process. It may be recalled, in this connection, that departments of the old School were rather small compared to the proposed new Centres. The University split the European Studies department into two to join the West European Studies with the American Studies, while clubbing the East and Central European Studies with the Soviet Studies. They were obviously done because of the then ideological proximity of the United States to Western Europe, and of the old Soviet Union to the rest of Europe. Again, in one more instance affecting the area studies, the old departments of South and Southeast and Central Asia (owing to small number of teachers in each of them) were consolidated into one huge centre, notwithstanding the displeasure of some of the teachers with the change. A better solution would have been to expand the faculty strength of these old geographical divisions, so as to encourage specialization in important, individual countries like Indonesia and Pakistan (Rajan, 1997b: 204). Some aspects of restructuring involving the two functional Centres also are worth recalling here. The Commonwealth Studies was brought under the newly created International Organization Studies which was put together with the International Relations Department

to constitute, along with the Disarmament Studies, the newly christened Centre for International Politics and Organization. Likewise, the Departments of International Law and of Economics were made to co-habit along with the newly created Diplomatic Studies in yet another oddly conceived Centre.

The challenge of restructuring the academic activity resurfaced in the 1990s in the light of dramatic changes in the world arena—notable among them being the disintegration of the Soviet Union. But sharp differences made the task more difficult than imagined, and even the change of the nomenclature of the Soviet Studies centre took a very long time. It is heartening, however, that some key restructuring process has been set in motion in 2004 fortuitously timed to coincide with the golden jubilee of the School. With the result a single Centre for European Studies has taken rebirth. Equally positive is the shifting of the Diplomatic Studies to the Centre for International Politics, Organization and Disarmament, while creating independent centres devoted to the study of International Law and International Trade and Development. No doubt any restructuring has to strike a balance between durability and flexibility, and yet it should be emphasized that Centres will gain in standing only when individual excellence aligns with institutional priorities.

Institution-Building and Innovative Strategies

The School owes a great deal to A. Appadorai who provided rare and remarkable leadership as its Director for the first ten formative years (1955–64). He embodied an enviable combination of leadership qualities of being an acclaimed academic and an astute administrator; hence building of ISIS as a thriving institution was impossible to imagine without the selfless contribution by him as its founding Director (Rajan, 2002). SIS badly needs someone like Appadorai now as much as it needed previously.

Jawaharlal Nehru held Appadorai in high esteem ever since he knew him from the days of the Asian Relations Conference (1947). Speaking of him in 1955, he noted: "The more intimately I have known him, the more I have been impressed by him. He is one of those persons who do not work for personal advantage." As (late) President Zakir Hussain stated, "with many fine personal qualities, Dr. Appadorai indeed is one of our distinguished scholars of which the country may well be proud.... His pioneering work in promoting instruction, research and publication in international affairs and area studies is a lasting contribution to the development of higher education in the country." As a token of the country's recognition of the lasting significance of Appadorai's services to both the School and study of international relations, Prime Minister Indira Gandhi publicly honoured him on the occasion of the Silver Jubilee of SIS in October 1980. After his passing away, the Government of India instituted a Chair in Appadorai's name at SIS to enable an eminent scholar with specialization in any area of international

and area studies to occupy the Chair for a fixed tenure so that more worthy scholars can receive the honour. Sadly this Chair has remained for most of the time unoccupied, and it will be in the fitness of things to revive the Appadorai Chair.

Appadorai was remarkably objective in his research. He applied to his colleagues and students the same severe test as he applied to himself. Appadorai was particularly against any chauvinistic statements/claims in respect of India's foreign policy and relations, and even when he was often compelled to seek some help or the other from the government for ISIS. One of the many reasons why Appadorai was loved and/or admired by the teachers and students of ISIS (feared too by some, that he would notice laxity in their research work) was his intimate knowledge of them (often even of names of students and their work-in-progress). Appadorai had remarkable ability to spot talent of all kinds, especially intellectual. This explained his great success in getting together in the ISIS a large group of faculty to specialize in various aspects of international and area studies. After spotting them, he tailored ad hoc programmes of training as per the needs and promise of each of them in their respective fields of specialization.

Lack of enough specialists prompted ISIS to toy with a novel idea of soliciting services of a few knowledgeable Indian as well as foreign scholars on short-term appointments for the training of young men and women of promise who after training might be worthy of being appointed to permanent positions. These scholars included Sardar K.M. Panikkar and Professors Tarachand, Nicholas Mansergh, Quincy Wright, and W.H. Morris-Jones. There were also a few Australian, Canadian, Japanese and Russian scholars (Rajan, 1994: 208). The young faculty under training undertook a study of some leading foreign regions/countries, through learning of local languages and getting personally acquainted with eminent scholars and research institutions and libraries by spending some months or years in those regions/countries. When they completed their training, they were appointed to permanent positions (Rajan, 1994: 208). And in time, these Indian specialists became pioneers in several fields. They in turn trained numerous young men and women in doctoral research. These later spread out to other universities and research institutions. This is a great contribution of the Indian School of International Studies to higher education (Rajan, 1994: 208).

Several academic and financial measures were taken to help the students enrolled in the Ph.D. programme—the only degree offered in the early days till the merger with JNU. A one-year pre-Ph.D. course was made compulsory for all students, mostly in such functional fields as international politics, political geography, international law, international economics and a foreign language. This course was a must because in those days, students (still largely true) who were admitted to the School had their Masters degree only in Political Science, History, Economics or Law, with little or no background in international affairs. (This feature was dropped by the old School, probably in 1968, to let each department advise the students which courses to take other than those offered by their own department). As a result, immediately on joining the School, students started specializing

within the four walls of their respective department, and acquired little or no knowledge outside. In retrospect, I very much regret this change which happened during my Directorship of the old School (Rajan, 1994: 208).

ISIS managed to get one or more scholarships from most of the Indian states for students hailing from them, in addition to the scholarships received from the UGC, the Reserve Bank of India and others; so much so that practically everyone admitted for doctoral studies could look forward to receiving a scholarship for two or three years. This again, was a novel practice (Rajan, 1994: 208). Though some state governments have enhanced the scholarship amounts at par with the UGC fellowship rates, others are yet to do so in spite of repeated requests to this effect.

Soon after merging with JNU, an M.A. degree programme with specialization in International Politics was introduced—which has proved to be highly competitive in terms of the number of applicants for admission. A vast range of courses dealing with the politics, economics and foreign policy processes of all major regions of the globe is the hallmark of the programme. Apart from serving the purpose of contributing to the emergence of international relations as a distinct area of studies, the graduates became potential candidates for further studies and research in international studies at M.Phil. and Ph.D. levels. Along with M.A., the M.Phil./Ph.D. programme was also introduced in nearly 20 distinct branches of international studies. This contributed to tremendous growth in the number of students and faculty of the School.

With a view to ensuring better dissemination of knowledge on issues in contemporary international affairs, two steps initiated in the 1960s continue to flourish even today. *International Studies* was launched as a quarterly journal which has achieved international esteem for publishing quality articles contributed by not merely the faculty and research scholars of SIS but also foreign authors. Again, beginning in the mid-1960s, a series of annual Extension Lectures on major developments in international affairs were started. The series, named after Pandit Hriday Nath Kunzru have been highly popular ever since they were instituted (Rajan, 1994: 209).

Towards Strengthening of Area and International Studies

Scholars, trained in SIS, by now have spread across the major academic institutions in India. Nonetheless, no parallel centres promoting international relations and area studies have emerged in the country, which can legitimately compare with SIS. As one long time observer of the scene has described, this "certainly is a disturbing reality!" (Harshe, 1997: 68).

Area studies are yet to develop adequately outside of SIS. In consequence we do not have within our country today adequate expertise and library facilities for a study of the subject. When universities (including JNU) advertise posts in the fields of international affairs and area studies, the response is very meagre. Sometimes they cannot even find enough "experts" to sit on the Selection Committees

appointed to recommend suitable candidates! The number of Indian experts in the fields of Chinese and Japanese studies, for instance, can be counted on the fingers of just one hand! What is surprising and sad is that we do not have after five decades enough specialists even on our immediate neighbours—on Afghanistan, Bangladesh, Myanmar and Pakistan—let alone the more distant countries (as, for example, the countries of the European Union) and functional disciplines such as international relations theory (Rajan, 1994: 212).

As against the three universities (Jadavpur in Kolkata, Mahatma Gandhi in Kottayam and Pondicherry) where Departments or Schools for study of international relations were founded, the number of area study centres have proliferated. Having failed to make any impact since its establishment in the 1980s, the Pondicherry School has been dispensed with, as it now forms a part of the Department of Political Science there. Beginning from the 1960s the UGC established, for instance, South and Southeast Asian Studies at the University of Madras; African and Soviet Studies at the University of Bombay; South Asian Studies at the University of Rajasthan, Jaipur; West Asian Studies at the Aligarh Muslim University, Aligarh; Southeast Asian Studies at the Sri Venkateswara University, Tirupati and Latin American Studies at the Goa University. Besides, some universities have established separate departments for defence and strategic affairs as, for example, the Universities of Allahabad, Kanpur and Madras (Rajan, 1994: 209).

The experience of ISIS makes it clear that area studies can progress only in conjunction with (and within the framework of) international studies (international politics, international economics, international law and such other functional disciplines); they cannot function in isolation, or in conjunction with the traditional disciplines (Rajan, 1994: 210). Even in SIS, the area studies programmes constitute departments in themselves. Since the recruitment of the faculty is made for area studies departments, there has been a noted tendency among the area specialists to lose touch with the discipline-based departments (Harshe, 1997: 77).

Indeed, it is quite possible to take the view (as I do myself) that one reason for stagnation of international/area studies is a sort of vicious circle: Career advancement is inhibited because of the inadequacy of centres for international/area studies. On the other hand, often adequately trained personnel are not available for creating new centres or even for reinforcing existing centres. This seems to be the case in respect of, for instance, the now closed School of International Studies at Pondicherry University and the Latin American Area Study Programme at the Goa University. In fact, it has been partly the experience of even the old and the present (JNU) School of International Studies (Rajan, 1997a: 9). While the scholars of ISIS/SIS have some advantages of being physically nearer to the central government and foreign missions (compared to scholars outside), partly for this reason, they lack a competitive spirit with scholars outside Delhi; equally the scholars trained by ISIS/SIS lack career mobility, which is beneficial to scholars both in Delhi and elsewhere (Rajan, 1997a: 11).

That the Area Studies Centres (with the exception of one or two) have not stimulated any significant interest in the study of, and in research relating to, their respective countries of specialization has been widely commented upon (Rana, 1996: 11–26). One possible reason for this could be the rigid traditional framework of the universities. Those who teach these traditional disciplines do not always look too favourably on a new field of study. The situation may not be particularly conducive either to area studies or to international relations in general. Because programmes of area studies are conceived to be interdisciplinary; the Standing Advisory Committee on Area Studies of the UGC desires that for each centre of area studies there should be an Inter-Departmental Committee of the University concerned “for the proper coordination of area study programme” and also to afford the benefit of advice from the entire academic community of the University. This arrangement is quite useful if there is, among the scholars in the traditional disciplines, a readiness and a willingness to give what I would call a “son-in-law” treatment to a new field of study. Barring a few exceptions, this is not always the case. The result is that such an Inter-Departmental Committee is not necessarily encouraging young men and women who are aspiring to specialize in programmes of area studies (Rajan, 1979: 78–79).

It seems as though the study of international politics, international organization, international law, international economics and area studies can progress only when they are placed outside the rigid framework of the traditional disciplines. The needs and requirements of these new disciplines—such as provision for staff training, language instruction, fieldwork abroad, regular, periodical visits to foreign countries by members of the faculty and students and acquisition of documentation on current international problems—are different, in point of both nature and scale, from those of the traditional disciplines. And those trained in traditional disciplines—who are in a majority and are in control of the academic power structures—do not always seem to look with sympathy upon these requirements of the new disciplines (*ibid.*: 80).

This is a regrettable situation, that should be met squarely. We ought to persuade academics trained in traditional disciplines that the study of international relations and area studies does not hurt the interests of their various disciplines but that, on the contrary, it only reinforces and expands them. After all, international relations is essentially a synthesis of such traditional disciplines as political science, history, economics, geography, sociology and law—though, as Appadorai once put it, a synthesis sufficiently differentiated from each of the traditional disciplines mentioned above to make it a distinct discipline in itself. Research done by scholars in traditional disciplines is the basic raw material for the work of a student of international relations. There is thus no question of international relations affecting the interests and development of the traditional disciplines. On the contrary, the discipline of international relations offers an extension of the scope of each of the traditional disciplines, so that the specialists in the traditional disciplines might, if they so desire, extend the scope of their specialization—so to say, branch off from it—into the new synthesizer. One scholar has gone so far as to say, for

example, "foreign affairs are infinitely the most important branch of politics". This could be said with equal validity of history and, to a less degree, of the other traditional disciplines as well. Just as the recognition of, and provision for, political science and sociology in our universities during the last four or five decades has not at all affected the growth of the older disciplines, so the recognition of, and provision for, the new discipline of international relations would by no means affect the development of traditional disciplines. Let me repeat that specialists in the older disciplines ought not to behave towards specialists in the new discipline of international relations as mothers-in-law are traditionally said to do towards their daughters-in-law. On the other hand, why do they not give them the treatment traditionally accorded to sons-in-law (Rajan, 1979: 80–81)?

Conclusion

As Kanti Bajpai aptly noted some time ago, "the state of International Studies in India is puzzling". While international studies in India has made strides, one is left with the feeling that it should have done more as a "policy science", that it has not made the kind of intellectual contributions to a global discipline of international studies (one might have expected or hoped for) and, in sum, that it does not have the stature of the other social sciences in India (Bajpai, 1997: 31). In this regard, international relations scholars are confronted by several constraints—such as unwillingness by the policy-making community to make available data or documents and more fundamentally its perception that they have nothing to learn from the academics in the field. I have maintained for long that the future development of international studies as a discipline depends not just on amenities and infrastructure facilities, but more importantly how steadfastly we rectify a long standing lack of interest in theories. Happily this has begun already which only needs to be sustained.

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Domestic Roots of China's Foreign and Security Policy

Madhu Bhalla

Nuances of China's foreign and security policy should be traced to domestic factors like state-society relationship, economic reforms and political stability. And clearly domestic priorities will affect the choices that China makes in the first quarter of this century. Domestic political and economic changes have expanded China's notions of security and transformed its foreign policy and strategic priorities. As a result, the objectives of China's foreign policy, as well as the tactics and strategies employed to achieve these, have changed. Most important, however, has been the impact on the policy choices that China has made, and will likely make, to achieve its foreign policy objectives. These policy choices will significantly affect the strategic environment in the region, especially for neighbours like India who have an increasing stake in regional stability and the extension of their regional and global influence.

While domestic politics has traditionally been viewed as autonomous and country specific it has always been a factor in setting a nation's foreign policy agenda. Yet, little foreign policy analysis actually ever focuses on the manner in which domestic political and socio-economic changes shape foreign policy and security agendas. It is common that states define their national interest in terms of domestic developmental and growth agendas, as well as notions of comprehensive national power. Domestic policies also shape and condition external policy options available to nations and at the same time open up the possibilities for flexibility and dynamism in external relations. The fact that domestic politics and policies are increasingly tied into a web of global expectations complicates the picture. Globalization makes states vulnerable to the demands of global governance and regime norms and conventions, but the liberalization of national economies and the globalization of social and political crises within states also make them more amenable to innovative interactive processes. These often create new opportunities to fulfill domestic policy objectives, or place constraints on irredentist ambitions and expansive definitions of national interest. More important, the nature of domestic political culture may point to the feasibility of forging bilateral, regional and global security

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arrangements. And, as nations such as China emerge as significant actors in global politics, domestic developments could play an important role in shaping regional and global security mechanisms in the future.

Domestic imperatives, as well as national power ambitions and needs, not only drive China's foreign policy but also seek to shape regional, bilateral and global policy in China's interests. Therefore, even as China integrates with the world at various levels, domestic policy has become an important driver in China's foreign and security policy.

Conceptualizing the Domestic-Foreign Policy Linkage

Linking China's domestic policy and foreign policy provides an alternative to the neo-realist perspective and debate on Chinese foreign policy thinking. Much of the neo-realist and neo-liberal debate, building on the familiar assumption of the structure of anarchy in international society, has been concerned with the process of, and problems associated with, assimilating China into the structures of global power and politics. Much of the neo-realist and neo-liberal views on Chinese foreign policy consider sovereignty as stable and interests as national and sovereign interests, denying the possibility of a redefinition of sovereign interests and a progression away from the established notion of state identity.

While the constructivist view that "anarchy is part of process, not structure" and that the features associated with anarchy—self-help and power—are "socially constructed under anarchy" (Wendt, 1995: 132) holds good for an alternative understanding of international relations, they are most clearly visible in the context of domestic politics. If domestic politics has become a central player/factor in foreign policy the redefinition of interests, identities, agendas and processes of interaction in the domestic arena should logically find some resonance in international affairs as well. Significantly, it is at the level of domestic politics that the premise of anarchy viewed as central to international relations ceases to be important. As Martin Wight notes, progressive development of states has led domestically to "social cohesion, interdependence among the people, growth of state power, increasing flexibility in its operation, increasing wealth and its better distribution, diffusion of culture among the masses, softening of manners, lessening of violence" (1995: 25). Therefore, domestic structures and objectives have progressed despite frequent regressions to atavism and violence towards undoing the Hobbesian assumption of social anarchy as the natural structure within which states and societies must function.

In the dynamic realm of domestic politics, interests are defined within a social context and, therefore, change with contexts, often resulting in a redefinition of the core interests and self perceptions of the identity of players or nations (Wendt, 1995: 131). As domestic concerns become more apparent in foreign affairs, and solutions to domestic concerns are sought at regional and global levels, the progressivist view of the state informs the understanding of the future of international society as well. Increasingly, despite the wars and violence in the last

century efforts to establish cooperative security structures and norms and conventions that ensure cooperative behaviour have gained wide support. Consequently, the disjunction between the ideals of domestic politics and foreign relations is no longer sustainable.

Issues in State-Society Relations

It is by now a truism that the People's Republic of China (PRC) changes so rapidly that even frequent travellers to China can no longer rely on trusted and familiar landmarks to find their way. If this is true for the geography of China's cities and countryside it is more than true of its rapidly evolving security and foreign policy. As political and socio-economic conditions within China change swiftly, many landmark domestic priorities have disappeared or taken new shape within a dynamic and evolving political framework (Biao, 1969; Xiaoping, 1982; Zemin, 2002).

China's political culture establishes the consensus around which decisions with regard to foreign and security policy are taken. This is despite the general notion of the state as ideological and authoritarian and prone to centralized decision making. State and society both concur broadly on the path that the state must take in relation to comprehensive security issues as well as to how China is to be projected abroad in the protection of the country's legitimate interests

The three broad issues on which there is consensus are the stability of the state and its relations with society, the problem of political reform and globalization and economic growth. Few, if any, of the Maoist era parameters can be helpful in interpreting China's domestic politics today. Remarkable changes have taken place with regard to the ideology of the Chinese Communist Party (CCP), the rise of new political and economic elites and the positive and negative results of the policies for growth. These changes have led to social visions that reflect the weakening of the old social contract and the affirmation of a new consensus between state and society on issues ranging from the nature of the political state to domestic economic agendas formulated not just by the centre but also by provinces and localities that provide the impetus for policies that are both irredentist and integrationist.

Political Stability

While dissent in China is evident both in the countryside as well as in urban industrial areas over increasing disparities, corruption and arbitrary forms of governance, there is a general view that the stability of the Chinese state is very crucial in the current process of reforms (Jiang, 2003: 369; Zhou and Wang, 2003: 25–41). Without a stable state not only are the reforms endangered, the very existence of the nation itself could be at stake. This view has gained ascendancy in the context of the western liberal predictions about the collapse of the ideological state of China either because of the logic of markets and democracy, or because the contradictions of reform may well overwhelm it. The disintegration of the

Soviet Union in the aftermath of *perestroika* and *glasnost* has been disquieting and doomsday assessments of the domestic imbalances in China's regional and rural-urban development only confirm apprehensions of instability.

Central to the stability of the state is the role of the Chinese Communist Party (CCP). The leading role of the CCP since 1950 has weakened the institutions of state. The paramountcy of party leaders in policy formulation and implementation, the high degree of factionalism and open political dissent led by the party have for long undermined the social cohesion needed for the task of state building. After the political chaos of the Cultural Revolution, Deng Xiaoping tried to redefine the role of the party and state through legal and economic reforms, but failed (Xiaoping, 1984: 178). As Shipeng Zheng notes, Deng guarded the principle of party leadership even as the party was losing its credibility. The percentage in party membership declined from 40 per cent in 1973—the year when the victims of the Cultural Revolution were rehabilitated—to a mere 3.9 per cent in 1996 when the reforms entered their second phase after a conservative backlash within the party (Zheng, 1997: 267–86). The imperatives of reform no longer make it possible to regenerate party ideology through mass campaigns and class struggle. In the last fifteen years, one of the most significant changes has been in the nature of China's political elites. The economic clout of the provinces and the emergence of many centres of power within China also make it difficult to ignore the increasingly "segmented" expression of interests that the party must represent (Goodman, 1997: 1–20). The party has, therefore, been debating the need to retain legitimacy through more rationalized delegations of power and through such policies that could enlarge party membership.

Change within the party and its ideology is also a reflection of the rise of new political elites within the party and the coalescence of the interests of party elites and the new social groups that have emerged during the reform process. Since Mao, smooth leadership transitions, with the absence of open factionalism, have established the stability of the political system and a consensus on the political process in China. On the one hand the political succession after Jiang has indicated the increasing emphasis on the "institutionalized transfer of power" within China revealing the leadership's ability to play by the rules instead of bending them to meet factional demands. This is despite the fact that Jiang continued to be in the CCP's Military Affairs Committee after he relinquished his position as party leader in favour of Hú Jintao (*China Daily*, 15 March 2003). On the other hand, Jiang Zemin's "three represents" theory is a response in many ways to expand the party's membership base and retain its legitimacy and leadership position in providing political stability. During this period the core policies of the party and state have been upheld without inhibiting the prerogative of each generation of leaders to set different priorities as per its professional, institutional and political outlook. While flexibility is now built into party politics and policies, the professional and technical background of party elites takes the party further away from ideological positions and debates towards addressing the problems associated with the reforms (Cheng Li, 2003: 32–33).

The general concern over regime stability and the declining support base of the party led the CCP under Deng Xiaoping to redefine the party's ideology in surprisingly pragmatic terms. With Jiang Zemin's "Three Represents Theory", which opens party membership to China's capitalists and middle class professionals, the party has wedded itself to greater political inclusiveness (Jiang Zemin, 2002; Wu, 2003: 181). Since 1998 the democratic parties—a motley collection of non-communist, liberal intellectuals and professionals—have also gained representation in the National People's Congress, China's increasingly powerful legislative body, and village level elections have encouraged the emergence of local political elites at the grassroots level (Jiang, 2003: 326; Shih, 1999: 249). Thus the emergence of China's "second strata" has impelled the government to provide them *some*, if not *due* representation (Bo, 2003: 66–117). The ongoing transformation in China's political institutions means that national agendas increasingly must reflect the redistribution of power and resources based on wider political representation (Shih, 1999: 321–32). Politics, therefore, has veered towards more inclusivity, flexibility and political pluralism at the level of party ideology, organization and representation. Yet, as China's leaders are aware, the reinvention of party ideology cannot ignore the fundamental issue of state building which alone can ensure the long-term stability of the state. The task of state building in China rests on the new importance attached to the leading legislative body, the National People's Conference (NPC) which has wider representation than the CCP, the increasing importance given to appointing professionally qualified people within the ministries and the bureaucracy and reforms in the legal system (Li, 2004).

The NPC's recent legislations and the amendments to the Chinese constitution regarding human rights and the rule of law also ensure that a more accountable and transparent system of governance is created to adopt to the next stage of economic change (Li, 2004). This is also in keeping with China's accession to the WTO and its increasing acceptance of global norms and conventions. However, in many ways the system, even under reform, works to the advantage of the party and the state and implementation of laws often flounders on the rock of old political attitudes (Vermeer and d'Hooghe, 2002: 31–48, 49–76, 157–70). Natural law, a founding principle of Judeo-Christian legal precepts, has been understood in China not in the liberal sense—as linking innate individual rights to a set of fundamental freedoms—but in a Confucian communitarian sense as ethical notions of social justice and, therefore, as transcendent and overriding individual rights. It is this difference in the meaning of the function of law that characterizes China's political culture—ensuring social and political stability over individual rights (Shih, 1999: 3–78).

Democracy and Political Reform

Not surprisingly, debates over the future of the state have also come to rest on alternative notions of democracy. The meaning of democracy remains contested within China. Although the growing liberal space is represented by the establishment

of the democratic party in 1998 and the emergence of liberal Chinese journals like *Res Publica*, there is a strong resistance to liberal discourse within China (Liu, 2000: 48–57). The resistance is not just at the level of the state, but also at the level of society, revealing the strength of an internal perspective on the meaning of freedom and democracy and its impact on state-society relations in China (Yin, 2003: 6). Even the central assumption of the separation of state and society in democracy is not likely to obtain in the near future as China's new middle class remains dependent on the state thereby also undermining the emergence of a credible civil society. Peter Nolan's recent assessment of the pro-democracy argument for transitional economies tends to support the Chinese government's contention that democracy may not, in fact, be the best political framework for a China in the midst of an extensive and difficult period of reforms (2004: 104–28).

Relevant debates do not perceive democracy as essential to dealing with the inequities generated by the reforms. It is being argued that these inequities could be mitigated not by recognizing individual rights and freedoms but by retrieving the notions of social justice, equality and social democracy (Huters, 2003: 46–77). Notably the state's analysis of social decay during the reform process, however, has been couched in ethical and not in political or social terms. In the present context of rapid economic growth and the imbalances in Chinese society, political and social analyses could lead to a reconsideration of state-society relations at many levels. Social morality, on the other hand, has taken easy recourse to neo-authoritarian and nationalist arguments and bound them up with the "Confucianization of Marxism-Leninism" (Fan, 2003: 144–68; Li, 2003: 169–84).

Thus, with the decline in the ideological appeal of the party and the inability of the state to legitimate itself solely on the basis of economic growth, China's leaders have begun to look to the trappings of nationalism and Confucianism (Alagappa, 1995: 29–36). Even the Party Chairman and President Hu Jintao's power base remains limited to the Central Party School, Communist Youth League and Central Committee members (Tanner, 2003: 45–65). But he is also known to have orchestrated the nationalist demonstrations against the American bombing of the PRC's embassy in Belgrade and more recently against Japan (*China Daily*, 22 April 2005). While the Chinese, in general, have ignored the socialist morality campaigns and angst of the state, polls conducted in Shanghai in the late 1980s indicated that views on basic Confucian values such as respect for elders, family obligations and deference to authority and the state were more or less identical for the three generations and across the rural-urban divide. Despite the argument against essentializing Chinese society and political culture as Confucian, the polls indicate that there is a neo-Confucian consensus in China. And at the turn of the century concerns are increasingly voiced over the decline in socialist values as the reforms have gained greater momentum in the 1990s. Culture and nationalism are seen as filling the gap (Stockman, 2000: 69–93).

Chinese exceptionalism is also increasingly enshrined and projected abroad in the public documents of the state such as the official White Papers on Human

Rights since the early 1990s and subsequent White Papers on religion, minorities and labour (White Paper on Freedom of Religious Belief in China, 1997; White Papers on Human Rights, 1991, 1995, 2000, 2004; White Paper on Labour and Social Security, 2002). While these outline the state's position in areas under scrutiny from democratic agendas abroad, they are also useful in projecting within the framework of a coherent domestic political culture the positions that Chinese leaders take on significant domestic and foreign policy issues like human rights, minority rights in Tibet and Xinjiang and labour laws within the framework of the WTO regime.

The persistence of criticism from the international community has also brought the issue of human rights of individuals and groups on to China's national agenda. For example, China's policies in Tibet and Xinjiang, its summary and military trials of corrupt officials and dissidents have for long been the subject of intense scrutiny by western governments and human rights activists abroad. While the concern about human rights is not confined to PRC, human rights issues are a central part of its dialogue with the European Union in the ASEM process and have been critical to its relations with the United States at different times. On the foreign policy front, PRC has argued that "peaceful coexistence" should allow "various civilizations and social institutions" in the world to "co-exist and co-develop". This argument has been advanced to counter western criticism of China on human rights (Yin, 2003: 7). PRC has been pressed to step up its diplomacy every time the UN Human Rights Commission meets at Geneva and to bring out a series of official reports on breaches of minorities.

Yet the core of the ideas that emerge from the problems associated with political stability and party legitimacy are also constantly being challenged by the fallout of economic reforms, growing regional disparities and the effects of globalization.

Globalization and Economic Growth

China views globalization not as economic or as other forms of homogenization but as "socially embedded forms of governance grounded in innovation driven growth", thereby emphasizing that nation states, and local conditions, are still the focal points for political and cultural coherence. The function of domestic policies lies in taking advantage of the opportunities that globalization provides as well as to extend the impact of domestic policies beyond national boundaries. China's opening up and the subsequent economic growth are prime examples of this. Responding to the economic needs of the late 1970s with the reform policy, PRC, as many Chinese analysts have pointed out, seized a historic opportunity to "combine her comparative advantages together with the inflowing market-oriented factors from the outside..." (Liu, 2003: 117). As its "national strength" grew in subsequent years the nature of its external relations and influence changed as well. Thus as Renwei notes, "As China's national strength is growing and China is increasingly globalized, China's influence has been spilling over, that is to say:

the change of China's internal structure and the growth of her comprehensive national strength are exacting a fundamental influence over the international environment... the pattern of interaction between China's internal and external context has been undergoing a historical transition" (2003: 81). For example, the wide domestic support for integration with the global economy and regional economic structures has forced China to change its legal structures and institutional processes to ensure greater transparency and rational administrative practices. It may be mentioned here that beginning with the joint venture laws of the early 1980s China has undertaken an overhaul of its commercial law, its administrative laws and its fiscal system reforms, as well as its civil and criminal codes. This has encouraged a debate on rule of law in the domestic realm that spills over into China's increasing focus on international law in the conduct of global and regional security initiatives (Chen, 1999: 69–94). Thus, China increasingly supports UN resolutions as the basis of international law and global order although still somewhat constrained by its support for sovereign rights.

The objectives of China's economic policy—prosperity, stability and the increase in the power and strength of the state—support the general thrust in the political culture. China's economic rise since 1978 has brought about a sea change not just in China's economic power regionally and globally but also in Chinese thinking about foreign policy, security and domestic political and social issues. Changes in economic policy have been particularly responsible for China's deepening engagement with regional and global institutions. While its increasing economic interdependency does not guarantee cooperative postures, as the recent anti-Japanese demonstrations across the country have shown, Chinese strategies of dialogue and restraint, negotiation and bargaining, indicate the change from an aggressive posture to a cooperative one. Despite criticisms from outside the region, China's financial intervention in the Asian financial crisis of 1998 went down well with the ASEAN region.

China's major achievement has been to escape the growth trap that confronts most developing countries. Thus, while the annual growth rate of its population has slowed down to 1 per cent since 1990 as a consequence of the one-child policy which has been quite rigorously applied in urban areas and somewhat less so in the rural areas, its real GDP has grown at a minimum of 7.5 per cent per annum since 1998 and at 11 per cent over the last fifteen years, averaging 8 per cent for the last twenty five years. Most years have shown negative inflation with rise in per capita incomes resulting in better standards of living for most people in both rural and urban areas. Urban incomes have grown at the rate of approximately 8 per cent and rural incomes at 4 per cent since 2000. Despite higher levels of consumption, urban and rural savings amounted to 11,955.5 billion yuan in 2004 and the country's foreign exchange reserves totalled US\$ 609.4 billion (National Bureau of Statistics, PRC, 2005). Perhaps the country's greatest success has been in the area of poverty reduction with the poverty level dropping from about 250 million in 1978 to 42.1 million by 2001 (UNESCAP, 2003).

China's accession to WTO and its formal commitment to global economic norms and practices indicates the long-term stability of market processes in China (Drysdale and Song, 2000; Ostry et al., 2002; Yamazawa and Imai, 2001). The promise to open domestic markets even further has encouraged MNCs and other non-Chinese investors who have been more interested in increasing their market shares rather than just getting immediate profits. As a recent OECD study notes, WTO accession also complements important goals of domestic reforms like bringing in more market discipline and access to technology (OECD, 2003: 754–84).

However, China is sensitive to the problems involved in sustaining economic growth. The factors that have driven its success, trade and foreign investment may no longer be sufficient to sustain its rate and pace of growth. As costs of Chinese labour rise in the future with increases in technological skills current levels of trade, based on a low wage and low skill labour base, may decline. The segmented liberalization process (so successful in the last twenty-five years in bringing in incremental reform in China's economic system) has meant that reforms in one sector have been hampered by the absence of complementary reforms in others. The impact of weak financial institutions also makes China vulnerable to cycles of inflation that might lead to open social dissent (OECD, 2003). Further, China's reliance on FDIs and the high incidence of foreign-owned enterprises in the export sector make it vulnerable to negative reactions globally over the domestic handling of crisis such as the one over Severe Acute Respiratory Syndrome (SARS). Thus, utilized FDI was down in 2003 from an average of US\$ 5 billion per month from January to June to around US\$ 3.3 billion in July, August and September of that year. Chinese analysts worry that the current strength of the Chinese economy might become a weakness if the national economy does not expand and become self-sustaining (Yang, 2003: 10–26).

China also faces a set of substantial domestic economic policy challenges. Difficult financial and industrial sector reforms are on the cards and it is increasingly under pressure to revalue its currency corresponding to the US dollar. With reforms in the state-owned enterprises, levels of unemployment in China have risen dramatically from 6.4 per cent to 10.2 per cent according to official estimates and it is estimated that 70 million more workers will be forced to go out of work by 2010. Social welfare policies are too limited even in the urban areas to provide a crucial security net to increasing numbers of retrenched workers. The most critical sector in China's economy is, however, the rural sector where agriculture, which still employs 50 per cent of the workforce and contributes less than half of the total rural income, suffers from a chronic lack of capital investment in infrastructure and technology and low wages.

Therefore, while China has shown an impressive record in growth it now battles with increasing inequality. China's political elite are concerned with the consequences of the uneven distribution of growth and incomes on social stability and the legitimacy of the present regime. Contrary to western analysts who are concerned about the relationship between inequality, social stability and political

democracy in modernizing societies, the Chinese leadership is clearly concerned more with the relationship between economic inequality and social and political stability (Riskin et al., 2001). What is particularly worrying for them is that Kuznets model of growth and inequality, which argues that income inequality decreases after the initial phase of economic modernization even with no special effort, does seem to be working in China. What is even more worrying is that given restrictions on labour mobility the rural-urban and regional income disparities could lead to social tension. The per capita income of rural households is only 40 per cent of urban incomes indicating a disturbing rural-urban income disparity across China (Li Jingwen, 2000). Visible regional disparities and the pressures of globalization and economic regionalization on the prosperous regions have prompted many to talk about China's imminent breakup. It has been argued that the more prosperous regions, mostly on China's coast, could integrate economically with the states bordering them. Burgeoning border trade could create border zones, such as in the Yunnan-Myanmar-India triangle, that would look beyond the national economy and the Chinese state. New development zones that involve international cooperation, such as the Tumen River Regional development in China's northeast, could create radically different patterns of governance that may dilute the state's authority. Any one of these outcomes would destabilize the Chinese state and challenge notions of sovereign authority and state autonomy (Linge, 1997). Hence China is making serious efforts to introduce policies to address growing regional disparities.

Evidence indicates that China has been able to manage the challenges to its national unity caused by centre-provincial relations partly because politically there has already been a substantial devolution of authority and responsibility to the provinces. Economically, China's opening up has indicated the advantages of remaining within the Chinese economic and political framework rather than opting out of it. But the problems of sustaining high levels of growth have also forced China to rethink its foreign economic policy. The imperatives of globalization call for more cooperative approaches to gain access to resources. Therefore, there has been a movement towards joint ventures in energy projects and cooperative economic structures for regional development.

Political Culture/Strategic Culture Nexus

China's domestic concerns, both political and economic, have created a consensus around a set of imminent and long-term needs, values and practices that affect the formulation of its foreign policy objectives, its strategic choices and processes of interaction.

As domestic politics and economic policy have responded to changes in domestic political and social needs, the state in China has inexorably moved towards Wight's definition of a progressivist stance. This is despite the obvious qualification that needs to be made with reference to the essential one-party structure of the state as well as to the non-liberal directions of much of Chinese civil law. The

fear of social anarchy is increasingly being dealt with by more socially inclusive policies, the relocation of the primary loyalties of the citizen from the party to the nation has redefined the perception of the Chinese state and the expansion of the political and economic sphere has refashioned interests.

As discussed in this paper, the objective of China's domestic policies has been to ensure the stability of the Chinese state, to secure its territory and prevent the fragmentation of the nation and to create the wealth that will enable acceptable levels of human security to its citizens. The core components of China's domestic political culture are economic development, political stability, cultural values including nationalism, greater political and social inclusivity, social justice over individual rights and transparent governance based on the rule of law. The strategies adopted and encouraged to achieve these are institutional reforms, including those within the party, the relocation of power to a host of different groups, entities and regions and increasing space for wider political and social representation and expression in the institutions of the state and in the party. The pragmatism of the reform era has overtaken the primary position of ideology as the guiding value but cultural values centred around Confucianism relate socially acceptable notions of order to politically desired notions of exceptionalism. At the heart of China's political culture is the recognition of the uses of flexibility, pragmatism, pluralism and cooperative approaches to stability along with a hard line view of dissent that may undermine the existence of the state. However, and this is crucial, the notion of the state in China has undergone some change. The devolution of fiscal power and authority to the regions and the fact that they often have closer economic links to countries across their borders has widened the area of political concerns. Also, the fact that the institutions of diaspora Chinese capitalism, a new form of organization that is linked not to any political space but "fills an economic space", have been replicated in many ways in the coastal regions of China means that Chinese mainland actors increasingly strain against the confines of political definitions of where they may legitimately operate (Yeung, 2004: 6). The strong support for global integration and economic globalization further exacerbates these tendencies. Finally, pan-national issues such as HIV/AIDS and the SARS pandemics, environment management crisis and varieties of cross-border crimes and terrorism force the establishment of supranational institutions to manage "domestic" concerns. Ironically, therefore, even as hyper-nationalism makes inroads into political culture its contours are softened by the fact that the boundaries of the state are being blurred in important ways.

The political culture that has emerged in China as a consequence of political and economic changes over the last two decades has a bearing on how China's strategic culture may be reviewed.

China's strategic culture has generally been viewed as irrevocably realist (Johnston, 1995; Swaine and Tellis, 2000: 9–20). The objective of China's international policy has been to maintain domestic stability and protect its territorial sovereignty. To that end it has sought to maximize its power through a mix of coercive and non-coercive strategies to control its periphery. It is generally argued

that the objectives have remained the same while the strategies have changed as per the needs of the domestic and external situation. Thus, in the modern era China has evolved a "calculative strategy" to meet these objectives, with a generally instrumentalist view of the advantages of interaction with the global community, restraint in the use of force and involvement in multilateral organizations (Tellis, 2000). These realist views of China's strategic culture consider domestic stability and economic growth as factors that define policy objectives but leave little scope for any discussion of the ways in which these redefine PRC's conceptions of security and thereby its interests and the uses of power.

In fact, while the objectives of the state and the analysis of the external environment in which these are to be achieved are informed by a sense of the volatility of the world order and the threats to security, there is nonetheless an increasing awareness that a new world order can be constructed around a different set of conceptions, values and principles. Of these the most significant, as already pointed out, are the notions of comprehensive security and comprehensive national power. Comprehensive security, which includes political, economic, social and military concerns, expands the notion of security beyond the purely military notion (Song, 1996: 81). Further, with the globalization of security issues in the last decade, the notion of security has also moved beyond the state (United Nations *Human Security Report*, 2003).

Increasingly, the debate on human security has had some impact on Chinese thinking. The most significant issues for China are related to the capacity of the state, the chief institution for economic and social distribution, to ensure or undermine the human security of its people (Zhou and Wang, 2003: 6–41). The concept of security is no longer meaningful unless it addresses not just the issue of the security of the state but also that of the people. As views of security in China come under increasing scrutiny in relation to the "objective reality" of social distress, notions of comprehensive security retain the concern over the security of the state but perforce focus on non-state actors and non-sovereign institutions when looking for solutions as well.

China's contemporary strategic thinking on power takes from its historical tradition and experience, from the western analysis of the nature and dimensions of power and from the lively debate surrounding the changes in the global environment at the end of the century (Song and Chan, 2000: 15–40).

Power is increasingly seen in terms of "comprehensive national power" (CNP) and not merely as military strength. The notion, central to contemporary Chinese debate on power, calculates the CNP of a nation state on the basis of a quantitative ranking on several indices which cover both hard and soft power. Chinese political scientists and policy makers argue that soft power is as crucial to the state's survival as hard power (Huang, 2003). While China's power has been assessed most often in terms of weakness or strengths, giving rise to threat theories or doomsday predictions, Beijing has tried to factor in both its strengths as well as weaknesses into the concept of "comprehensive national power" (CNP) or the "general power of a nation-state" (Buzan and Foot, 2004; CASS, 2003).

As a concept, CNP emerges neither from Marxism-Leninism nor from contemporary western political theory but from the Chinese neo-realist understanding of power and its concern with strengthening and maximizing the relative power of the Chinese state. Conceptions of power are, thus, seen to be the most resistant to constructivist agendas even as debate on the construction of comprehensive national power breaks it down to its many critical components that spill out of the reach of the state. However, it is in the projection of its power and in the policies and strategies developed to maximize its power in the different areas outlined by CNP that genuinely cooperative rather than merely calculative ways of functioning emerge (Moore and Yang, 2001: 191–229).

While conceptions of what constitutes power, security and the extent to which state sovereignty can be bargained in the interests of security and stability have changed significantly, realizations that increases in power are interdependent have become central to China's projection of power (Medeiros, 2004).

All major PRC documents since 1949, such as the Common Minimum Programme of 1949 and the constitutions of 1954 and 1982 have consistently identified an increase of CNP as an objective of the state despite radical shifts in ideology over the years. So much so that a 300 page special report by the Chinese Academy of Social Sciences in 2003 made a systematic assessment of China's comprehensive national strength based on seven indices (CASS, 2003). These included the economy, science and technology, military power, ecology, political stability, diplomacy and social development. Among a list of thirteen large countries (which includes the US, UK, Russia, Japan, Italy, India, Germany, France, Canada, Brazil, Australia and South Africa) the report ranked China seventh in CNP, third in economic strength (after the US and Japan), fourth in military strength (after the US, UK and Japan), fifth in diplomacy or foreign relations and sixth in ecology. Significantly, the report placed China thirteenth and eleventh in the areas of "government control" and "social development" respectively, reflecting the fears over political and social instability voiced throughout the decade of the 1990s. Within China, the report became a point of reference for celebrating the achievements of economic reform and for charting the country's future course of action to enhance both hard and soft power.

China is increasingly aware that its rise depends to a great deal on the manner in which the global community, and Asia in particular, has responded to its opening up in the 1970s. As China becomes a major power in Asia it will have a stake in Asian stability because the stability dividends have been much more positive than confrontation and conflict was during the first twenty-five years of its existence. However, it would be fair to say that at present its strategic culture is built on the assertiveness of nationalism and cautious pragmatism. Therefore, while it does not reflect adventurism or even the assertive behaviour that realist analysts perceive, it remains rhetorically strong when core aspects of stability, unity and its geo-political influence are at stake.

If there is one set of core principles in Chinese foreign policy that reflects significant aspects of the domestic political culture it is the Five Principles of Peaceful

Coexistence, or *Panchsheel*. These principles reflect the changes in the circumstances governing Chinese policy, the world situation and China's perceptions of its strategic environment. Initially it was conceived as a limited foreign policy initiative containing a set of functional guidelines for conflict resolution vis-à-vis its border disputes with states on its periphery and not just as an ideational foreign relations framework (*The Communiqué on Trade and Intercourse Between India and China*, 29 April 1954). In the immediate context, however, their value lies in their ability to interpret and explain the Chinese view of the position of emerging powers in a world marked by US unilateralism and to reinvent concepts of security and international law (Liu, 2005: 142–53; Wang, 2005: 178–93). The Five Principles have been linked to China's new security concept, both in precept and practice. As norms they inform China's perspective on the need for cooperative approaches to security, for the democratization of the global political space, for emphasizing Asian values and the growth of its soft power. In practice they shape China's policy on preventive diplomacy and support for UN mandates as well as negotiation over the protection of sovereign rights. Chinese analysts also view them as the foundation of contemporary international law (Wang, 2005). China sees the principle of non-interference and peaceful coexistence, for example, as legal protection against humanitarian interventions that violate sovereign rights; the principle of mutuality as enforcing uniform rights and obligations for all nations; and the principle of mutual non-aggression as a legal undertaking to resolve disputes through peaceful means. Mutual benefit and equality is also important in defining economic relations in a rapidly globalizing world as well as in containing increasingly annoying allegations of a "China threat". Further, these principles provide the bridge between China's cooperative foreign policy and its need to function within the existing realpolitik world environment. Thus, the principles define the limits within which great powers like the US may conduct policy with parts of Chinese territory such as Taiwan. It also defines the limits of the policies of post-Cold War Russia and the new nations of Central Asia to rearrange territorial boundaries in China's strategic western frontiers. They have also allowed China to develop a policy for the non-contiguous developing world that builds on the rhetoric of equality and solidarity, and occasionally provides the space for new initiatives in promoting Afro-Asian solidarities such as the April 2005 Afro-Asian Conference in Bangkok.

Directions of Foreign and Security Policy

Remarkably, the principal characteristics of Chinese foreign policy are a reflection of commitment to modernization and hence greater interaction with the world, greater plurality in its policy making process which reflect the interests and influence of a host of domestic actors, professionally qualified and pragmatic leadership focusing on problem solving and management of foreign policy issues, nationalistic overtones that could support offensive military rhetoric over sensitive issues such as Taiwan (even though China's military doctrine is still defined as defensive) and support for multipolarity and multilateralism.

Since China's chief concerns are political stability and economic growth, its priority is to fashion a policy that ensures a peaceful environment for its economic development. Economic growth and development have been defined as China's foremost national interest since economic interest is currently the prime basis for legitimating the party and its ideology. As Yin Juzuo points out, "without economic development and increasing the nation's capacity, ideological progress would be rootless" endangering the very future of China (Yin, 2003: 7). Not surprisingly therefore, Chinese leaders have repeatedly declared the post-Cold War period to be "an era of peace" despite the incidence of local wars since the end of the Cold War. The Chinese leadership which has benefited from the reform policies will keep economic needs in focus and, as in domestic policy, is not likely to make any radically new moves in foreign policy (Lam, 2003: 251-70).

China's experience with the world and the Asian region since 1978 has been largely positive with regard to the needs of its economic programme. Focus on trade and investment and engaging with the outside world in a big way have been the basis of its economic growth. Its incremental interaction with global institutions like the UN, the World Bank and IMF, and regional organizations like ASEAN has been a process of learning and adaptation to the norms, conventions and legal requirements of participation (Chirathvat, 2001: 132-52; Naughton, 2001: 83-109).

In the areas of traditional security as well China's strategies no longer merely follow the realist notions of unilateral maximization of power even as it grapples with neo-realist assessments of its rise. Taiwan, the US and its alliance system in East Asia remain troublesome areas in China's foreign policy in East Asia. Since dealing with the US involved a wide range of issues such as economic, political and strategic, the Chinese policy towards it was a combination of various strategies—cooperation, dialogue, balancing and at times even open confrontation. Thus, China's trade and economic cooperation with the US has grown substantially, making the US China's largest trade partner. On political issues such as terrorism there is a new engagement after 11 September 2001 with intelligence sharing mechanisms in place. The issue of human rights often creates open confrontation, although increasingly tempered with justificatory documents on the Chinese side and various conciliatory moves on the eve of the visits of key US dignitaries to China. It has also made commitments through bilateral and multilateral dialogues to improve domestic policy and mechanisms to prevent proliferation of nuclear technology and materials. In effect, China has created mechanisms to manage political issues preventing them from aggravating its relationship with the US so crucial for its economic development (Yuan, 2004: 151-76; Zi, 2004: 240).

Much of China's threats from outside seem to flow from its difficulties with the US over Taiwan, an issue fraught with nationalist overtones. Yet, nationalism is constrained by domestic needs as well as by political culture. Following the successful return of Hong Kong in 1997 and the smooth takeover of Macao in 1999, the unification of Taiwan is Beijing's top priority. Chinese leaders argue that the unification would lead to the sovereign integration of the People's Republic

of China and believe that its implementation is only a matter of time. However, Taiwan's growing pro-independence movement has given rise to rhetorical outbursts, military developments and lately adoption of an anti-secession law that makes it illegal for Taiwan to declare independence (Full text of Anti-Secession Law, 2005). Taiwan continues to enjoy strong political support from the United States as also from other neighbouring countries like Japan and ASEAN and is an important component in the overall western approach in dealing with the rapid rise of PRC as the next global power in-the-making. While analysts generally deal with China's Taiwan problem within the matrix of a realist power analysis focusing almost entirely on PRC as a military threat to Taiwan, an actual military invasion of Taiwan remains a remote possibility given China's relative strategic and military strength vis-à-vis the US and its own view of military action as a last resort. In fact, Jiang Zemin's famous eighth-point formula of January 1995, shifted the focus from military approach to evolving a piecemeal and low-profile approach by strengthening social, cultural and economic integration between the two sides (White Paper on Taiwan, 2002).

China's cooperative postures and policies are related not only to its levels of threat perception but also to the emerging political consensus at home that cooperative dialogue and pragmatic negotiation are the optimal processes for managing conflict. China is also more than likely to enlarge the degree and range of its participation in international activities. Its pursuit of economic modernization and regional stability prompts China towards greater cooperation on security matters and increasing economic and cultural exchanges. Pragmatism, the decline of socialist ideology and centralized decision making and the scrutiny of its own values and actions in the domestic sphere have introduced the element of flexibility, as well as tolerance for different social systems in Chinese foreign policy. The status of Hong Kong within the framework of the one-country/two systems approach is often put forward by the leadership as an example of its ability to underplay political contradictions in the interests of economic growth (Lau, 2004: 91-106).

As China becomes more confident in its foreign policy and its strategies assume a more cooperative dimension Asia is confronted by a contradictory situation. On the one hand, China's rise as an economic power has created a dynamic network of trade, investment and manufacturing across national borders, especially in the Asia-Pacific (Drover, et al., 2001; Liu and Regnier, 2003). On the other, China's geo-political and strategic concerns over the South China Seas, Taiwan, the US-Japan strategic alliance and its maritime expansion into South Asia heighten the possibility of confrontation. Domestically, the rise of nationalism tends towards greater assertion of sovereign rights and opposition to hegemonic regimes, at the same time imperatives of peace and development for economic growth also encourage flexible and pragmatic approaches to conflict resolution (Ho, 2003: 297-308).

China's moves towards more effective regional integration such as the formal institutionalization of SCO, are an indication of the shift from assertive and unilateral thinking towards a more cooperative approach to regional affairs and issues.

The view that many issues such as terrorism can only be dealt with multilaterally, that US unilateralism and hegemonic power is a destabilizing force in world and regional politics and that multipolarity, or a horizontal distribution of power, best serve the objective of a democratic world order also provides a new facet to the neo-realist debates within China.

The growth of the Chinese economy has created interdependent economic linkages within the region and beyond providing Chinese leaders with immense opportunities for influence building, negotiating on strategic issues and setting political agendas. For India, as an emerging power, this presents both challenges and opportunities. The current limitations on China's growing power, both in terms of its ability and intention to exercise its power levers, allow regional powers like India to engage it in dialogue on strategic and other issues in the framework of reciprocity and the principle of sovereign equality of states. China's reiteration of its opposition to hegemonic and unilateral postures in global politics have led China to look for a deeper and wider strategic partnership with India. At the strategic level, China's domestic concerns have changed its policy towards India in significant ways. For India, the payoff of China's current definition of its ethnic problem in Xinjiang is that there is more sympathy for the Indian position on cross-border terrorism and a marked coolness toward the Pakistani position on the Kashmir dispute. It is to be noted that China has not used the phrase "all weather friend" to categorize its relationship with Pakistan since 11 September 2001. Thus, an understanding of the hazards of Islamic fundamentalism in destabilizing domestic politics has brought it into partnership with India on terrorism and a willingness to view security in cooperative terms. Guarding against creating security dilemmas, it has downplayed its periphery policy in regard to the resolution of the Sino-Indian border and recognized the need to enhance confidence-building measures at the military and non-military levels (*Joint Declarations*, 2003 and 2005). Both countries share concerns over many security issues—maritime crime, the implications of the unilateral uses of power, the geo-politics of energy in West Asia and Central Asia and terrorism and the trafficking in arms—which could conceivably be tied into an ongoing dialogue process. In terms of economic interaction, China's domestic economic needs dictate that it explore the possibilities for economic cooperation with an emerging Indian economy (Vajpayee, 24 and 26 June 2003).

Conclusion

If China maintains domestic stability through a cooperative and flexible set of responses to emerging social and political concerns aimed at greater political and social participation, and policies aimed at a more equitable distribution of resources, the choice of policies and costs involved will temper its strategic framework and orient it towards more cooperative security approaches.

The emerging political culture within China, which emphasizes inclusivity, negotiation, wider political and social representation and political stability based on economic growth and prosperity, defines the choices available to policy makers

in the external environment as well. The chauvinist aspects of Chinese nationalism, often seen as a corollary of China's rise, may well have limited operational benefits in the context of the significance of PRC's view of itself as a responsible power not given to adventurism on important regional and global issues. Chinese pragmatism, for now generally viewed as instrumentalist, has already led China to an interface with global and regional trends that emphasize the management of conflict through rational institutional means with considerable reflection on absolute gains and the implications for minimizing security dilemmas. The process of regionalization and globalization of domestic concerns has encouraged moves towards support for a further institutionalization and extension of regional associations for dialogue and policy interaction.

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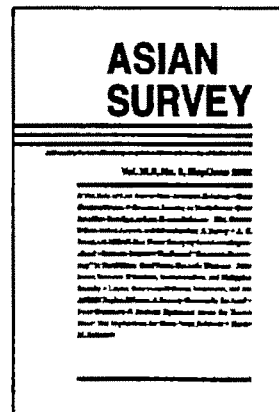
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Changing Dynamics in the Taiwan Strait: One Country, Many Systems?

Alka Acharya

Over the last fifty years, relations across the Taiwan Strait seem to have undergone a fundamental transformation. If the Shanghai Communiqué represented the first step in altering the politico-strategic equations, the economic linkages have contributed to reshaping the dominant approaches to the problem. The increasing volume of cross-Strait trade and investment is influencing government decisions in both the mainland and in Taiwan. Economic links are now at the core of the changing dynamics and have played a key role in preventing the escalation of recurring politico-strategic tensions into a full-fledged crisis. Developments in the post-Cold War era may have also led the way to a wide range of options pertinent to the Taiwan Strait as well as the problem of "one-China". Over the last decade in particular, both sides have taken incremental but substantial steps so that political differences do not hamper fast developing economic ties. The increasing salience of historical, cultural and civilizational factors in examining the newly emerging issues in the Taiwan Strait such as identity and nationalism, has further opened up new avenues. Prospects for resolving the "one China" issue will depend on how both sides are able to reinforce economic relations with political understanding.

"All Chinese on either side of the Taiwan strait maintain that there is but one China and that Taiwan is part of China."

Shanghai Communiqué, 1972.

"There is but one China in the world, and both the mainland and Taiwan belong to one China, and China's sovereignty and territorial integrity brook no division."

Jiang Zemin, Report to the Sixteenth National Congress of the Chinese Communist Party, November 8, 2002.

"...I've reiterated support for the one-China policy. It's been my government's policy for a long period of time, and I haven't changed it."

President George W. Bush, during his visit to the People's Republic of China in February 2002, to commemorate the 30th anniversary of the signing of the Shanghai Communiqué.

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"...(a)s long as the CCP regime has no intention to use military force against Taiwan, I pledge that during my term in office, I will not declare independence, I will not change the national title, I will not push forth the inclusion of the so-called 'state-to-state' description in the Constitution, and I will not promote a referendum to change the status quo in regards to the question of independence or unification..."

Taiwan President Chen Shui-bian in his inaugural speech, May 20, 2000.

"After the country is reunified peacefully, Taiwan may practice systems different from those on the mainland and enjoy a high degree of autonomy."

Article 5, Anti-Secession Law adopted by the National People's Congress of the People's Republic of China, March 14, 2005.

The Taiwan Strait is widely acknowledged as one of the most "conflict-prone" arenas in the world involving the People's Republic of China (PRC), Taiwan and the United States (US). As the above pronouncements show, there has been a reduction in the levels of tension in the Taiwan Strait, but this is seen more as a consequence of a "stalemate" rather than a stabilization of relations among the concerned actors (Yung, 2004: 428). This article attempts to look at the political, economic and social trends and their ramifications, which have led to a sea change in the dynamics of the Cross-Strait relationship. In an attempt to grasp the complexities involved and obtain an overall picture, we shall examine the major developments and how they are re-shaping this multi-faceted relationship.

Most of the literature emanating from the west, as well as from certain sections within the strategic community from either side of the Taiwan Strait, seems to suggest that the region is sitting on a "potential time bomb" (Carter and Perry, 1999, especially Chapter 3; Pillsbury, 1999; Lilley and Downs, 1997). These perspectives are informed by an acceptance of a fundamental and irreconcilable divide between the PRC and Taiwan on the question of (re?)-unification. The divergence ranges from the definition and conceptualization of "one China" at one end to the actual process and final goal at the other. While PRC is convinced that Taiwan is aiming for independence, Taiwan is coping with PRC's efforts at isolating it diplomatically in the international arena. In the meanwhile, the military situation in the Taiwan Strait appears to be worsening. From a strategic and geo-political perspective, the scenario seems to be growing more complex.

Viewed from another angle, Taiwan's economic and commercial dependence on the mainland is growing as a consequence of multiple levels of economic cooperation, trade and investment flows, which have witnessed a steady rise since 1991 (See Table1).

According to some estimates, since 1987 trade between the mainland and Taiwan has totalled to almost US\$ 2 trillion. (Asia Tech Management Venture Capital Firm) Taiwan firms' cumulative investment in China till the beginning of 2004 is estimated to be somewhere between US\$ 40-150 billion, with most analysts (including Chinese and Taiwanese) settling on US\$ 80 billion during the last fifteen years (Skanderup, 2004: 1). All the key words "proactive", "constructive", "trust" "confidence", "era of reconciliation" and "building bridges" have now

Table 1
Cross-Strait Trade since 1991

Unit US\$ 100 million

Year	Taiwan's Exports to Mainland China	Taiwan's Imports from Mainland China	Total Volume of Cross-Strait Trade	Taiwan's Trade Surplus with Mainland China		Cross-Strait Entrepot Trade as % of Taiwan's Total Foreign Trade
				Value	As % of Taiwan's Total Trade Surplus	
1991	69.28	11.26	80.54	58.02	43.57	7.62
1992	96.97	11.19	108.16	85.78	90.65	10.53
1993	127.28	10.16	137.44	117.12	145.85	13.76
1994	146.53	18.59	165.12	127.94	166.16	13.75
1995	178.98	30.91	209.89	148.07	182.61	13.26
1996	191.48	30.60	222.08	160.88	118.54	13.88
1997	205.18	39.15	244.33	166.03	216.86	13.60
1998	183.80	41.11	224.91	142.69	241.15	12.90
1999	212.21	45.26	257.47	166.95	153.15	13.73
2000	261.44	62.23	323.67	199.21	239.73	13.43
2001	240.61	59.02	299.63	181.59	116.19	14.78
2002	148.41	35.51	183.92	112.90	119.19	18.12

Jan -June

Source: BOFT, MOEA, *Statistics on Cross-Strait Economic Situation*, various issues. As cited in Siew, 2002.

come to reflect the transformation of attitudes and viewpoints. However, the economic dynamism in the Taiwan Strait is contrasted by persistence of political problems.

At the heart of the Cross-Strait conflict/debate is the "one-China" issue. Even a cursory look at the literature in this respect provides one with a fairly good idea of the complexities of this problem, and therefore the difficulties of resolving it. Scholarship regarding the Cross-Strait problem has revolved around four major approaches. The Cold War and the US policy of containment of China in the 1950s and 1960s generated and promoted the security outlook the salience of which has admittedly gone down somewhat since the early 1990s but continues to inform security analyses and policy studies inspired by the realist and neo-realist traditions. The behavioural revolution in political science, the dominance of the positivist school and the rise of structural-functional approaches towards the end of the 1960s and after, encouraged the growth of systemic analyses and the study of decision making processes and political culture. Vast quantities of useful research into the mainland and Taiwanese society and polity was thus undertaken providing valuable insights. Market reforms in the mainland and the onset of political reforms and the process of democratization in Taiwan led to research at different levels. The internal dynamics and the external-internal linkages constituted the focus of investigations. Lately, in the context of economic globalization, studies on the changing nature of state sovereignty and the attendant

strains on the traditional Westphalian nation-state have offered a fresh perspective to the 'problem of "one-China" '. Cross-Strait relations, in this paradigm, can be more appropriately seen as an example of those territorial divisions termed "Natural Economic Territories" (Scalapino) or "Region-State" (Omae Kenechi) "that transcend contending interstate relations, due to the rapid development of transnational relations. The forming of these economic zones would testify to the primacy of economic interests over national identification" (Mengin, 2002: 234-35). In the new era that is unfolding, this approach argues for a "progressive remapping of the world that...is based on functional criteria" (Mengin, 2002: 235).

Evolving Political Goals and Strategies

It is useful to bear in mind the critical turning points in the history of Cross-Strait relations before turning our attention to contemporary developments in detail. In 1949, when the Communist Party of China (CPC) was consolidating its control over the mainland, the Kuomintang (KMT) under Chiang Kai-shek fled to Taiwan. Then each side viewed the other as illegitimate. Each took the stand that the other had to be ousted and one's own rightful control had to be established. In the opinion of the CPC, Taiwan was a renegade province, a part of one, indivisible China—PRC. Chiang on his part established a "provisional" nationalist government in Taipei, declared martial law and announced a state of civil war with the communist regime in Beijing. During those days of the Cold War, keeping in view the strategic significance of Taiwan, the US declared Taiwan as neutral territory, and provided security cover through the US Seventh Fleet. The beginnings of the moves towards PRC's eventual rapprochement indicated that there would finally be some change in the status quo in the Taiwan Strait. One of the preconditions of the PRC for a rapprochement with the US related to the withdrawal of US recognition to Taiwan. For the first time in the Shanghai Communiqué of February 1972 followed by the January 1979 Joint Communiqué, the US affirmed the principle of "one-China" and the PRC was recognized as the sole legal government of China. On its part, PRC pledged itself to the continuation of cultural, commercial and other unofficial relations with the people of Taiwan. The symbolic shelling of the Taiwan offshore islands with leaflet canisters ended on 1 January 1979, the day on which formal diplomatic relations between Washington and Beijing were established (Stolper, 1985: 140). Shortly thereafter, in April 1979, the US Congress passed the Taiwan Relations Act, which was essentially a commitment to Taiwan's security (Chang and Boyer, 2000). To address PRC's concerns, a third Joint Communiqué was signed in 1982, which agreed to first limit, and then reduce arms sales to Taiwan. In sum, the political aspects of the Cross-Strait relationship—PRC's attempts to reintegrate Taiwan and regain sovereignty over what it regards as its territory and the Taiwanese bid to achieve sovereign status—need to be examined in a triangular framework (Goldstein and Schriver, 2001; Bush III, 1992)

In the late 1980s, the forces of democratization grew in strength in Taiwan. Martial law and also the ban on visits to the mainland were lifted. Proposals for trade and investment links with the mainland began to be considered pragmatically, for PRC had already embarked on a policy of market reforms and opening up to the outside world. In 1991 under Lee Tung-hui, the first native-born president, Taipei announced a formal end to civil war with the communists. With the marginalisation of the KMT in Taiwanese domestic politics, the rise of the Democratic Progressive Party (DPP) and People's First Party (PFP) and the growth of civil society, different approach to the "one-China" principle became valid. However, obstacles remained as long as the government in Taiwan had taken the stand that it alone was the rightful representatives of China. But when Lee Teng-hui, in July 1999, brought in the issue of two different states and independence, the nature of the conflict became qualitatively different. The US role all along was that of a balancer, essentially aimed at maintaining the status quo and from time to time issuing appeals and warnings to both parties not to precipitate the crisis. It is clear that the three-way relationship was based on realpolitik. Even while reiterating its firm commitment to the "one-China" principle, the US has chosen to militarily ensure a de facto two China scenario. However unsatisfactory the formula may have seemed to all concerned parties, it worked in the sense that there has been no attempt to change the status quo by the use of force. PRC has never been in a position to change the status quo; it focussed on, therefore, restricting the international space that Taiwan could operate in. In the meanwhile, the economic bridges built across the Taiwan Strait, since the late 1980s, had begun to yield results.

In the enunciation of the "one-China" principle, PRC's formulation has undergone a subtle shift. It has been unwavering and consistent in upholding "one-China" but the change in the phrase that "there is only one China and Taiwan belongs to China" to "both the mainland and Taiwan belong to one China" has managed to convey a sense of equilibrium. Deng's formulation of "one country two systems" in the late 1970s sought to proceed from the ground realities and to provide a new framework for the reunification. In the specific historical circumstances in which Deng came to power, as he perceived it, two systems within one country were conceivable and justifiable. "One-country two systems" was used as the basis of negotiations for the return of Hong Kong. In the case of Taiwan it became less applicable. This fundamental tension was managed in turn by a two-pronged strategy adopted by PRC. It emphasized achieving reunification through peaceful means while reserving the right to use force under three circumstances: if Taiwan declared independence, if there was any foreign intervention in Taiwan and if Taiwan indefinitely refused peaceful reunification through negotiations. These principles were enshrined in the 2000 White Paper on Taiwan.

As *The Kissinger Transcripts* revealed, Mao had repeatedly stated that he was willing to wait for a hundred years if necessary for the Taiwan issue to be resolved (Friedman, 2000: 659). But now, the strategy of waiting indefinitely could have

been counter-productive. In March 2005, when the National People's Congress was underway in China, a "'very important meeting' in Beijing" was held to set "a timetable for solving the Taiwan issue." According to media reports the meeting was of the opinion that the first two decades of this century would be a development opportunity period and that the settlement of the Taiwan issue cannot be ruled out during this period. What these reports, not denied by officials, imply is that reunification cannot be an indefinite matter but also that the Taiwan issue need not necessarily be resolved in the next twenty years (*People's Daily Online*, 8 March 2005).

This report must be seen in conjunction with the kind of time tables that were being set by Chen Shui-bian, the leader of the Democratic Progressive Party (DPP), which has traditionally taken a pro-independence stance. Despite its impressive rise as a political party since 1986 and despite its claim of representing the interests and sentiments of the pro-independence Taiwanese, its victorious presidential candidate Chen Shui-bian, scored a mere 0.2 per cent higher vote than his KMT rival during his re-election bid in 2004. In his inaugural speech on his re-election as President, Chen Shui-bian refrained from using the phrase "one country on each side"—one that he had used in August 2002 to describe Cross-Strait relations—while at the same time declaring his intention to hold a referendum in the writing of a new constitution for Taiwan (Chen Shui-bian, 2004: 5). This was widely interpreted in the mainland as an attempt by the Taiwan leaders to create a legal basis for independence or seek independence through a referendum (*People's Daily Online*, 25 May 2004). A de facto situation, in the view of the Chinese leaders, was being used to make a case for converting it into a de jure reality. The anti-secession law of March 2005 passed by the National People's Congress must be primarily viewed as an attempt by the fourth-generation leadership in PRC to foreclose that option. As Premier Wen Jiabao clarified, the law was meant to "check and oppose Taiwan independence forces", (<http://taiwansecurity.org/NYT/2005/NYT-140305.htm>). Only recently, KMT leader Lien Chan visited China on CPC's invitation. At the end of Chan's visit a CPC-KMT Joint Communiqué was issued. It may be recalled that at the end of March 2005, after a span of 56 years, the first KMT delegation from Taiwan, headed by the Vice-Chairman, Chiang Pin-kung had visited the mainland and paved the way for Chan's visit to China (*People's Daily Online*, 23 April 2005). Chan's visit produced sharp political reactions within Taiwan, notably from the DPP.

Deepening Economic Ties: Trade and Investment

Economic flows across the Taiwan Strait have conformed to the political changes in Taiwan. Democratization of domestic politics in Taiwan coinciding with the deepening and acceleration of the reforms on the mainland worked to build the economic bridge across the Taiwan Strait, which over the last decade and a half,

as the chairman of the Cross-Strait Common Market Foundation and the former premier of Taiwan put it, "has been transformed from a single plank to a grand viaduct" (Siew, 2002: 2).

In 2003, the total trade volume between the mainland and Taiwan for the first time reached US\$ 58.4 billion, an increase of 31 per cent over the previous year (Zhu, 2004). This has made PRC the largest trading partner of Taiwan, replacing the US, while Taiwan became PRC's third-biggest¹ (See Table 2).

Table 2
Comparison of Taiwan's Exports to the US and Mainland China

Unit: US\$ 100 million		
Year	Taiwan's Exports to U.S	Taiwan's Exports to Mainland China
1991	223.21	69.28
1992	235.72	96.97
1993	235.87	127.28
1994	243.37	146.53
1995	264.07	178.98
1996	268.66	191.48
1997	295.52	205.18
1998	293.76	183.80
1999	309.02	212.21
2000	348.15	261.44
2001	276.54	240.61
2002 Jan–June	128.80	148.41

Source: Board of Foreign Trade, Ministry of Economic Affairs, ROC. As cited in Siew, 2002.

"In 1993, the 'combined trade' of China, Hong Kong and Taiwan—the Greater Chinese Trading Bloc—'exceeded' that of Japan for the first time. Greater China's trade amounted to 8.5 per cent of all world trade, as opposed to Japan's, which was slightly over 8 per cent. Until 1995 Chinese exports grew faster than those of Japan. In 1996, the 'combined reserves' of China and Hong Kong amounted to slightly more than \$150 billion—'almost as high as Japan's national reserves', which were the highest in the world—'while those of Taiwan amounted to another \$85 billion'" (VanKemenade, 1998: 32–33). According to WTO statistics, with a 35 per cent growth in exports of electronic products in 2004, China now ranks as the third largest exporter after the US and Germany, overtaking Japan. Electronic products constitute one-third of Chinese exports. This is attributed to an increase of 45 per cent in its sale of electronic products in the international markets, leading

¹ For purposes of uniformity, statistics and figures cited in this paper are drawn from Taiwanese official sources. References and clarifications are provided where there are major departures or discrepancies compared to the mainland figures.

to a 35 per cent rise of export value and 20 per cent increase in export volume. China's surplus productivity and the many China-based foreign enterprises contributed towards this (*The Economic Times*, 2005). The rising labour costs in Taiwan had led to the first flow of investment into the mainland. The investment was essentially in Original Equipment Manufactures (OEM) and Original Design Manufactures (ODM) producing toys, textiles, plastics, electronic and electrical goods and a host of low value products. These products flooded the world market, which inaugurated China's emergence as a major exporter. The next wave beginning in the 1990s saw a surge in Taiwanese investment in IT hardware. By 1993, China's share of Taiwan's offshore production of PC hardware reached 34.6 per cent (Jefferson, 1999: 9).

Taiwanese investment in the mainland increased sharply, accounting for two-thirds of the island's external investments over the past five years, increasing from 33.93 per cent in 2000 to 67.24 per cent in 2004 (*People's Daily Online*, March 2005) (See Table 3). Mainland investments in 2004 rose to US\$ 7.3 billion; this was 67.24 per cent of Taiwan's total foreign investment, up from 33.9 per cent in 2000. The electronics industry was the leading investor, doubling its investment of 2000, to US\$ 3 billion (Chung, 2005). In fact, the concentration of Taiwanese capital in the Suzhou city of Jiangsu province transformed the city into a "key electronic products manufacturing base." There are about a hundred Taiwan firms here, with a total investment of over US\$ 1.2 billion.

A further increase took place in the first eight months of 2004, going up to US\$ 5,775 billion, according to the Taiwan Investment Assessment Association, which is under the Taiwan Economic Affairs Department. In other words, of every ten dollars invested by Taiwan, seven have gone to the mainland (*People's Daily Online*, 2 February 2005). Some 65 per cent of foreign-sourced, high-tech investment originates from Taiwanese companies. Further, annual PRC inflows of Taiwanese capital have been estimated at US\$ 22 billion in 2002 alone and about US\$ 1.8 billion every month in 2003. This strong inflow was one of the factors "that gave the green light to then-premier Zhu Rongji's plans for the widespread privatisation of the state-owned enterprises..." (Keliher and Meer, 2003).

From its trade with the mainland alone, Taiwan gained a surplus of US\$ 40.4 billion during 2004, increasing by US\$ 8.9 billion from the previous year. Furthermore, in the context of Greater China (PRC, Hong Kong and Taiwan), Taiwan's trade with the mainland and Hong Kong accounted for 96.69 per cent of the island's total GDP growth in 2003 (Zhu, 2004). Taiwanese firms in the mainland are responsible for about 40 per cent of PRC's total exports (see Figure 1).

The growth in economic links was attributable to the adoption in 1979, under the leadership of Deng Xiaoping of the "policy of opening up to the outside world" (*kaifang zhengce*) with the objective, among others, of expanding its economic engagement with the advanced industrialized countries and the capitalist world economy. Within the framework of this policy, four Special Economic Zones (SEZ) were set up in the provinces of Guangdong and Fujian—Shantou, Shenzhen, Zhuhai and Xiamen—(Hainan Island was added to this group in 1987) to attract

Table 3
Taiwan Investment in Mainland China since 1991

Unit: US\$ 100 million

Year	Taiwan Statistics		Mainland China Statistics			Ratio		
			Contracted		Realized			
	Cases	Amount	Cases	Amount	Amount	(1)	(2)	(3)
1991	237	1.74	3,884	35.37	8.69	9.52	6.76	3.72
1992	264	2.47	6,430	55.43	10.50	21.78	9.54	9.54
1993	9,329	31.68	10,948	99.65	31.39	65.60	8.94	11.41
1994	934	9.62	6,247	53.95	33.91	37.30	6.53	10.04
1995	490	10.93	4,852	57.77	31.62	44.61	6.33	8.43
1996	383	12.29	3,184	51.41	34.75	36.21	7.02	8.33
1997	8,725	43.34	3,014	28.14	32.89	59.96	5.44	7.26
1998	1,284	20.35	2,970	29.82	29.15	38.17	5.72	6.41
1999	488	12.53	2,499	33.74	25.99	27.71	8.18	6.45
2000	840	26.07	3,108	40.42	22.96	33.93	6.48	5.64
2001	1,186	27.84	4,214	69.14	29.80	39.14	9.99	6.36
2002 Jan-June	611	15.36	2,179	43.63	19.24	50.08	9.92	7.83

Sources: Mainland Affairs Council, *Cross-Strait Economic Statistics Monthly*, various issues; Chunghua Institute for Economic Research, *Mainland China Industrial Development Quarterly*, various issues; DRI Asia Database. As cited in Siew, 2002.

Note 1: Ratio (1) indicates Taiwan investment in mainland China as percentage of Taiwan's total foreign investment, according to Taiwan's statistics.

Ratio (2) indicates contracted investment in mainland China from Taiwan as percentage of mainland China's total contracted inward foreign investment, according to mainland China's statistics.

Ratio (3) indicates realized investment in mainland China from Taiwan as percentage of mainland China's total realized inward foreign investment, according to mainland China's statistics.

Note 2: Figure for 1991 in mainland China's statistics indicates cumulative investment.

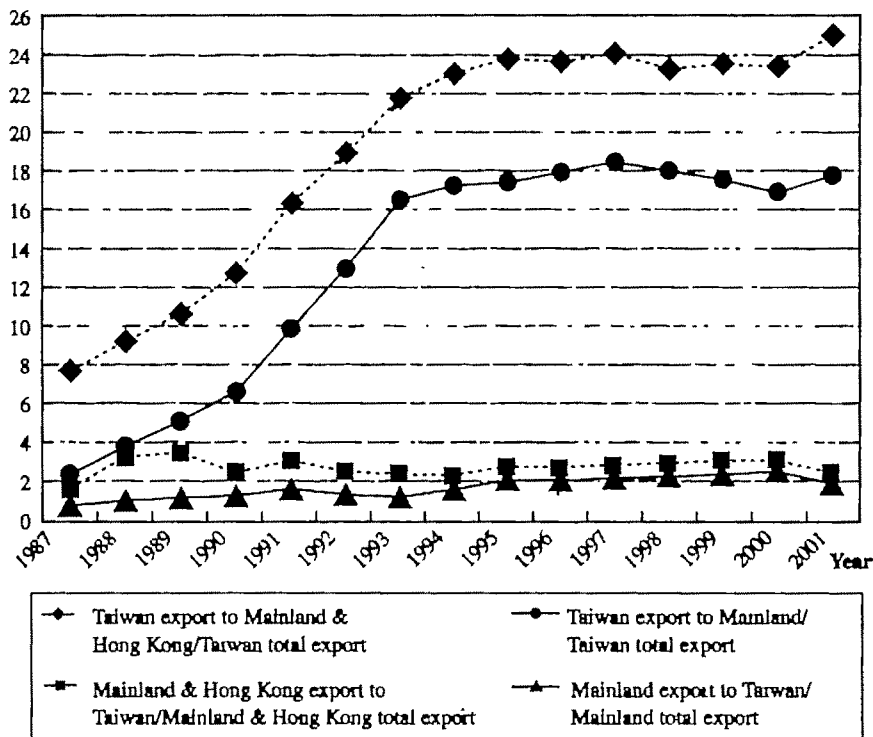
Note 3: Figure for 1993 in Taiwan's statistics includes investment from previous years that was registered in 1993.

foreign investment. The fundamental national goal of re-unification was the dominant motive in the conception of *kaifang zhengce* and consequently, also determined the geographical location of the SEZ—all lie opposite areas which had historically been cut off from China. The SEZ were thus based on the dual strategy of attracting investment and advanced technology, as well as demonstrating at a different level, the implementation of the "one country, two systems" principle.

Focus on Fujian Province

There were a whole host of factors behind the decision to set up Xiamen as one of the zones. It is located in the Fujian province, which overlooks the Taiwan Strait and is about 125–160 km across from Taiwan; southern Fujian is additionally the

Figure 1
Export Dependence Across the Taiwan Strait (1987–2001)



Sources: *Monthly Statistics of Exports and Imports of Taiwan Area*, Ministry of Finance, Taiwan, R.O.C., December 2001.
Hong Kong External Trade, Census and Statistics Department, Hong Kong, December 2001.
Cross-Strait Economic Statistics Monthly, Mainland Affairs Council, Executive Yuan, R.O.C., December 2001

Graph: Department of Economic Affairs, Mainland Affairs Council, Executive Yuan, R.O.C., December 2001. As cited in *Seeking Constructive Cross Strait Relations, Taipei's Current Mainland Policy Document* [Taipei, May 2002], Mainland Affairs Council, Executive Yuan, ROC.

ancestral homeland of about 70 per cent of Taiwan's population. The Taiwanese businessmen in Xiamen are all indigenous islanders who speak the same dialect (Minnan) forming an exclusive subculture in South China and the Chinatowns of Southeast Asia (Van Kemenade, 1998: 195). Historically, Xiamen (Amoy) had been "opened" up in 1842 under the Treaty of Nanjing and foreign trade was the chief economic activity. After 1949, the Fujian Overseas Chinese Investment Company was set up to attract investment and was abolished only during the Cultural Revolution in 1965. Till then, this company had set up 47 Overseas Chinese enterprises in the province, drawing Y80 million in investments. The then political and military uncertainty had led to the characterization of the province as China's "front line" and consequently, received little industrial or infrastructure investment

either from the central or local governments (*Fujian Jingji* [*Fujian Economy*] 1988 as cited in Howell, 1993: 125). In December 1978, the Standing Committee of the National People's Congress called for economic ties with Taiwan as well as a halt to the daily bombing of Quemoy Island, a Taiwanese island lying off Xiamen (Terry, 1980). This resulted in the development of direct investment and trade—which till then used to be routed through Hong Kong. As a provincial newspaper put it, "Making the SEZ a success, will not only be beneficial to the promotion of the construction of our socialist modernization, but also has an important meaning for the reunification of Taiwan with the motherland" (*Fujian Ribao* [*Fujian Daily*] 1982 as cited in Howell 1993: 138). Till 1986, the political goal of re-unification with Taiwan was the overriding concern which accounted for alteration of centralizing and decentralizing measures in the Open Door Policy. Although over 80 per cent of the total investment in Xiamen came from Hong Kong and Taiwan, the bulk of this was in small scale, non-productive enterprises, was domestic-market oriented and therefore contributed very little to the export earnings (*Almanac of Xiamen SEZ 1990* as cited in Howell, 1993: 136). A major reappraisal of PRC's Open Door, as well as Taiwan policies, at the Thirteenth Party Congress in October 1987 led to a turnaround. In the first half of 1988, Fujian had the highest increase in foreign investment in China and a total of 80 new Taiwanese enterprises were approved in that year, compared to a total of 20 up till 1987 (Howell, 1993: 160).

In a remarkably short span of time, the entire relationship between Taiwanese businessmen and the Fujian province was transformed. They invested in enterprises, paying workers twice as much as the local state enterprises and by 1995, 100,000 of the 400,000 industrial workers in the Xiamen region were working for Taiwanese companies. They also played a decisive role in China's rise as an export power. For instance, in 1992 China's toy exports rose by 41 per cent and its shoe exports by 44.3 per cent (*Free China Journal* 1992 as cited in Van Kemenade, 2002: 197). Statistics from Xiamen Customs show that petty trade with the Fujian province reached US\$ 18.03 million, up by 97.8 per cent from 2003. At an even higher growth rate, the value of imports and exports reached US\$ 3.255 million in the first two months of 2005, which was 2.6 times more than the corresponding period in 2004 (*People's Daily Online*, 21 March 2005). There has also been a subtle change in the investor profile. The small to medium sized firms had hitherto comprised the great majority of those who had invested across the Taiwan Strait. Since 1992, large-sized enterprises began to enter the Chinese market after "two parallel initiatives" came about. On PRC's side, the "open policy" was reactivated after Deng Xiaoping's southern trip at the beginning of 1992; on Taiwan's side, the government initiated a de facto recognition of PRC, as well as a reappraisal of its mainland policy in 1991.

About 90 per cent of Taiwanese investment is concentrated in six coastal provinces, which are the highest exporting areas of China (Skanderup, 2004: 3) (see also Table 4).

In 2002, the distribution of Taiwanese investment was 35 per cent in Guangdong, 32 per cent in Jiangsu and Shanghai, 11 per cent in Fujian, 6 per cent in Beijing

Table 4
Regional Distribution of Taiwanese Direct Investment in Mainland China 1987-98
 (Value in millions of US Dollars)

Provinces in China	1987-98		1987-90		1991-94		1995-98	
	Value	%	Value	%	Value	%	Value	%
Guangdong	4,310	33.41	328	43.50	1,464	32.17	2,518	33.16
Jiangsu	4,053	31.42	25	3.32	1,284	28.21	2,744	36.13
Fujian	1,498	11.61	179	23.74	656	14.41	663	8.73
Hebei	780	6.05	4	0.53	281	6.17	495	6.52
Zhejiang	572	4.43	15	1.99	205	4.50	352	4.64
Shandong	363	2.81	18	2.39	124	2.72	221	2.91
Liaoning	191	1.48	10	1.33	102	2.24	79	1.04
Sichuan	182	1.41	2	0.27	94	2.07	86	1.13
Hubei	156	1.21	5	0.66	66	1.45	85	1.12
Hunan	116	0.90	2	0.27	61	1.34	53	0.70
Others	678	5.26	166	22.02	214	4.70	298	3.92
Total	12,899	100.00	754	100.00	4,551	100.00	7,594	100.00

Source: *Taiwan-China Economic Statistics Monthly Bulletin* (liangan jingji tunji yuebao) various issue, Taipei: Taiwan Institute for Economic Research. As cited in China's FDI Policy and Taiwanese Direct Investment [TDI] in China; Jack W. Hou, Department of Economics, California State University, <http://www.bm.usf.hk/~ced/jack%20W%20HOU.pdf>

Notes: Regarding to regional distribution of TDI within China, only Taiwanese statistics are available, although TDIs are understated in the statistics in general.

and Hebei and 5 per cent in Zhejiang. Furthermore, Taiwanese invested firms employed a total of 8.2 million Chinese workers or 3.9 per cent of China's urban labour force and produced US\$ 70.2 billion in output or 4.6 per cent of China's total industrial output. The impact of Taiwanese investment becomes even more evident when one considers specific localities such as Guangdong where these firms employed about 2.9 million workers or 29.4 per cent of "secondary industrial workers", with an output of US\$ 24.6 billion, or 19.4 per cent of Guangdong's "total industrial output". In some cities such as Dongguan and Kunshan, Taiwan's investment is "particularly vital". By 2001, US\$ 2.8 billion or 42 per cent of total foreign direct investment (FDI), was from the Taiwanese Investor Firms in the latter. In addition, Taiwanese Invested Enterprises (TIEs) produced goods totalled US\$ 20 billion, or 60-70 per cent of Kunshan exports and about 200,000 mainlanders worked for TIEs (Skanderup, 2004: 3). As they began to shift their focus to the mainland market, they also gradually moved into Central China areas (Chen and Gu, 2005).

Encouraged by the PRC's "western development strategy" (aimed at restoring some macro-economic balance by channelizing massive funds into the comparatively far more economically backward western provinces) Taiwanese businessmen also gradually shifted their focus from the southeastern coast to the vast hinterland, with the aim of opening up the vast Chinese domestic market. At the same time, Taiwanese companies also changed their strategy from treating their mainland

units merely as export-oriented OEMs and ODMs to using them for brand building and selling in the domestic market. This was in harmony with Taiwan's own strategy of changing from manufacturing to a service-oriented and knowledge-based economy.

The economic bridge across the Taiwan Strait is in the process of a transition. Cross-Strait economic linkages will necessarily have to work more closely and in a far more integrated manner if the transition has to take place smoothly and successfully. As has been suggested, in "the industry value chain, China and Taiwan may end up complementing each other in both domestic and global markets" (Skanderup, 2004: 6). With the kind of stakes that are involved, both sides would undoubtedly proceed with abundant caution.

Business-Politics Linkage

The question comes up repeatedly as to whether Taiwan as "the very core of China's development" (Meer and Keliher, 2005) has greater leverage in terms of diplomatic and policy options, or if it is China which enjoys that leverage over Taiwan. Equally, it is far fetched to maintain that the mainland and Taiwan "comprise a single economy" (Keliher and Meer, 2003). Politics is obviously playing a positive role in facilitating these trends as much as business interests are influencing governmental decisions. There have been many studies on the part played by the business groups in influencing Taipei's approach to Beijing (Hsiao and So, 1996; Leng, 1996; Ngo, 1992). In this context, we would refer to Francoise Mengin's study of the politics-market linkage and the role played by "Business" in "state-formation." While Mengin's approach opens up an entirely new field of enquiry regarding the changing state and transnational linkages in the context of economic globalization, what is relevant to our study are the linkages that are emerging between the business community and interests in Taiwan and the provincial authorities and non-governmental associations in the mainland. Among some 30,000 small, medium and large-sized Taiwanese firms operating in the mainland, the small ones "constitute a spatialized community and are integrated in various networks..." The Chinese authorities having anticipated the formation of pressure groups, have chosen to institutionalise this community in order to better supervise it. This resulted in the setting up of an Association of Taiwan Invested Business (*Taizi qiye xiehui*) in Beijing and an Association of Taiwan Merchants (*Taishang xiehui*) in Shenzhen in March and June 1989 respectively. Twenty more such associations in all major cities where the Taiwanese had invested, came up over the next few years. The rise of these business interests as a "collective actor has at once strengthened the local bureaucracy to the detriment of the central power", at least as far as Taiwanese investments are concerned. It has been found that during times of crisis, the provincial authorities "acted to help moderate Beijing's behaviour toward Taiwan. A recent study (cited by Skanderup, 2004) also refers to the above-mentioned associations and points out

that they "maintain a very close relationship with Chinese officials and play a critical role in negotiating or communicating with Chinese authorities in order to protect and enhance TIEs' interests. On their part, Chinese authorities also treat TIEs as extremely important entities, and thus Taiwanese Invested Enterprises Associations (TIEAs) have gradually gained strength to influence Chinese central and local governments" (Skanderup, 2004: 3). This is borne out by the fact that particularly during the 1995–96 and 1999–2000 episodes PRC leaders desisted from threatening economic sanctions, owing mainly to constant pressure from the TIEAs.

In Taiwan, these associations have begun to become a part of an electoral stake. They are said to be associated with the drafting of the mainland policy of the ruling party as well as that of the opposition party. As aptly noted by Mengin, "a whole play of negotiations and of cross interests is set that progressively turns individual strategy into power relations within each national space (that is, Chinese and Taiwanese)" (Mengin, 2002: 239–41, 251).

Even as the economic and political engagements between Taiwan and PRC are becoming more and more intense, there has also been a gradual but sustained increase in the social, cultural, educational and religious interaction across the Strait. More than twenty Chinese delegations from fine arts, music, cultural relics, theatre and opera circles visited Taiwan in 2004. There was also a joint Cross-Strait (Chinese) Buddhist Performance in 2004 in the Taiwanese cities of Kaohsiung and Taipei among other places. In June 2004, the 850-year old statue of the Goddess Mazu from Putian in the Fujian province was brought to Taipei, which attracted 10 million believers (*People's Daily Online*, 13 January 2005). People-to-people contacts across the Taiwan Strait also witnessed a steady rise. In the first three quarters of 2004, the number of Taiwan residents who came to the mainland rose by 49 per cent to 2.71 million persons/time while that of the mainlanders visiting Taiwan grew 23.6 per cent to 100,000 persons/times (*People's Daily Online*, 13 January 2005).

Cross-Strait marriages also rose sharply forcing the Mainland Affairs Council to raise the quota of spouses of Taiwanese citizens permitted to reside in Taiwan from 1,800 per annum in 1997 to 3,600 per annum in 1999. According to the Ministry of the Interior, there are some 280,000 foreign women in Taiwan married to Taiwanese nationals. This includes some 190,000 from China.

Question of Identity

Few would contest the contention that the developments across the Taiwan Strait over the last decade have ushered in "a change of paradigm on the Taiwan question" (Hamrin and Wang, 2004: 340). This has brought the question of identity to the fore. Politics in Taiwan is increasingly based on ethnicity, which is in contrast to its highly industrialized economy. But then democracy in Taiwan is a relatively recent phenomenon. Despite its brief history of multi party politics and democracy, political formations have essentially been founded on the core issue—the question

of unification with China and the Taiwanese identity. The key political issues appeared in dichotomies such as "native Taiwanese" vs. "mainland Chinese", "native rule" vs. "outside regime" and "independence" vs. "unification", overshadowing all other domestic issues.

Complicating the case is the fact that in Taiwan, the "mainlander" can imply two different categories—*waisheng ren* or external-province person who came to Taiwan during and after the civil war and his/her descendants, as contrasted to *bensheng ren* (original province person) who has been ancestrally located in Taiwan. *Dalu ren* is used for residents of mainland China and refers to only the recent migrants from the mainland such as those who have acquired citizenship through marriage.

Is there a direct correlation between a Taiwanese identity and Taiwanese nationalism or are these different issues? A recent study suggests that "not all Taiwanese identify with Taiwan as a separate nation" (Corcuff, 2002: 243–52). There are also works which are critical of the methodologies involved such as raising the question of national identity as a dichotomous choice between a Chinese or Taiwan identity, particularly when the objective is to identify the preference for unification or independence on that basis (Rigger, 1999/2000: 537–52). Another study has sought to address this methodological problem by posing the question thus: "Do you consider yourself as both Taiwanese and Chinese?" In this case, there is a high probability of an affirmative answer (Yung, 2004: 428).

There are contrary views as well. For George Tsai, a Taiwanese political scientist, the continuing salience of the identity issue is a piece of fiction being manipulated by politicians. "Do you know why the Taiwanese government would like to set that kind of barrier between the two sides? . . . because the two societies are too homogenous, too identical. Without that barrier then unification would become the only solution" (as quoted in Olivier, 2005: 3). When Tsai addresses the question of a Chinese identity his focus is on China as a civilization, not a country or nation state. In that sense, the People's Republic that "currently represents China" does not equal *China*. Viewed from such a perspective, the "Taiwanese have as much of an obligation to China's future as those living on the mainland." An exclusive focus on a "Taiwanese identity", for Tsai, is nothing less than a "tragedy" (as quoted in Olivier, 2005: 4). This position recognizes the emergence of a Taiwanese consciousness, but opposes its articulation in necessarily non-Chinese terms.

The core of Chinese nationalism since the mid-nineteenth century has been the restoration of China's honour and dignity, of which it had been deprived by imperial powers, and occupying its rightful place alongside other nations. Part of the effort is to reunify all those territories which had hitherto been part of China. As the Foreword to the PRC White Paper on the Taiwan Question puts it, "For various reasons, Taiwan is still separated from the mainland. Unless and until this state of affairs is brought to an end, the trauma on (*sic*) the Chinese nation will not be healed and the Chinese people's struggle for national reunification and territorial integrity will continue." The sub-text here is obviously an apprehension regarding the possible impact of the loss of Taiwan on Tibet, Xinjiang, Inner Mongolia and even Hong Kong.

It is necessary to bear in mind that the nationalism of the post-colonial and/or post-liberation state is essentially territorial nationalism. In that sense, it goes beyond the prevalent political form or system—in other words, the fact that the state concerned is a democracy or dictatorship is of little consequence. It is the notion of the territorial state that constitutes the decisive element. According to Perry Anderson, although PRC acknowledges the existence of multiple nationalities within its territory, unlike the USSR, it has never accorded any of them “republic” status. Tibet, Xinjiang and Inner Mongolia—all areas with majority or large ethnic minority populations—“form part of today’s PRC as bequests from the Qing Empire”. Taiwan on the other hand, is ethnically Han and by the late nineteenth century was administered as a normal province. By ethnic and linguistic criteria, it falls within the national core of China. In comparative terms, its independence would be a secession. It is for this reason that there is little likelihood that the attitude of a future Chinese democracy toward the breakaway of Taiwan would differ significantly from the present dictatorship” (Perry Anderson, as cited in Gunde, 2004: 3–4).

A distinguished scholar of the Institute of China Studies, argues that the emphasis by the Chen Shui-bian administration on a “Taiwanese identity only” and its attempt to move away from the status quo toward “independence” have resulted in the deepening of the “schism between the ‘heart’ and the ‘head’”. The former refers to the identity issue while the latter implies the issue of independence and/or unification. Unless this “current split personality” is worked out, the processes of political integration is only going to get more complicated. He identifies five pre-requisites for dealing with this dilemma: good communication channels along all arms of the triangle—US, China, Taiwan—reduction in threat perception, direct transportation links; enlarging Taiwan’s international participation; and democratization of the political system on the mainland (Su, 2004).

Just as the “one-China” principle needs to be examined not as a monolithic or fixed category, the question of identity must also not be seen in “either/or” terms. The fairly recent emergence of the discourse of “two distinct identities” must necessarily be examined in the backdrop of the long, historical process that precedes this emergence. It would be difficult to completely deny any ethno-cultural dimension to the identity discourse that is underway. The current debates, however, seek to bring out the “difference” in the Taiwanese and Chinese identity and at times appear to be forced and “imagined” cultural constructs, in opposition to a perceived “other”. Scholars have pointed out historically the existence of a “dual identity” of the Chinese in terms of universalistic and particularistic strands (Hsu, 2005). The former refers to the “cultural-civilizational” and the latter to the kinship-lineage roots. The modern nation state identity, largely a European concept is completely at odds with the Chinese historical experience—or with that of India for that matter. This involves a shift from the territorial to the civilizational imperative. One needs to “move away from the notions of landmasses and retrieve the civilizations of these landmasses” (Deshpande, 2003: 30).

Conclusion

Stabilizing its neighbourhood and improving relations with the countries of the region formed a critical component of China foreign policy restructuring which began with the onset of market reforms. This was sought to be achieved by adopting a strategy of "setting aside contentious issues and improving the relationship in mainly economic, but also other dimensions". The elements of this strategy were clearly present in the overall thrust of PRC's approach towards Taiwan with its stress on trade and investment. While China also categorically reiterated its official position regarding its sovereignty and the principle of "one-China", economic contacts across the Taiwan Strait, especially in the areas of investment and trade, deepened beyond imagination. Various agencies and other bodies and mechanisms were established to manage this rapidly developing relationship. But political questions have not been insulated from these economic changes. Seemingly, the current leadership in the mainland subscribes to the Maoist wisdom of keeping politics in command. In fact, the prioritization of economic issues was itself a political decision. The relatively more recent issues of separate identities and/or the case of Taiwanese nationalism are also political in nature. Their continuation is determined by the politics of Sino-US relations. Since the problem is essentially triangular, much depends on the position that the third party takes at any given point of time. A *de jure* resolution, when it does occur, will depend to a very large measure on how well and effectively the political as also the historical-civilizational ground is recovered.

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Chinese Conception of Power

Three characteristics of power—location, nature and legitimacy—contribute to the interpretive model within which the Chinese practice of power operates. First, power is located in the integrated institutional structure of the party, the People's Liberation Army (PLA) and the state. As such, a threat to any of these institutions is regarded as a threat to China. There is no differentiation between external and internal threats, and strategies to address these threats may overlap. Second, China has a comprehensive understanding of power in the political, economic, military and moral components. This is reflected in the Chinese concept of Comprehensive National Strength or *zonghe guoli* that includes elements of hard and soft power. Both the elements are geared to maximizing China's gains in the international system, though they may not be complementary at times. Finally, the practice of power is legitimized both internally and externally with reference to moral principles that explicitly guide the Chinese practice of power. These moral principles are derived from the dominant ideology of the time and have been reinterpreted from the imperial, through the Maoist to contemporary times.

The comprehensive power concept throws up a few observations pertinent to an analysis of the Taiwan and the South China Sea disputes. The elite politics within the overlapping political-institutional structure of the party, the state and PLA has direct linkages with the strategies adopted to address both the disputes. The pattern of Chinese elite politics has undergone a change. For example, the process of policy making is no longer confined only to the paramount leader and his close associates. During Mao's time, there was a broad ideological consensus against anti-communist politics and foreign policy decisions were taken only by the top leadership within a well-established framework. Consequently, the strategies emerging from this were cohesive and well related to ideological principles. The current policy making process is more fragmented with different constituencies within the party, the PLA and the government articulating their interest, often with competing demands for greater voice and resource allocation. There is also greater participation from officials in the policy making and implementation arenas (Swaine, 2001: 293). Scholars have argued that the "simultaneous effects of greater professionalization, corporate pluralization, decentralization and globalization have resulted in a 'thickening of the elite' in China" (Lampton, 2001: 4). Policy differences among diverse institutional interests have begun to emerge, despite the fact that broader policy parameters are still laid only at the very top. This, in turn, has a direct linkage with the range of strategies available to China in its practice of power. While the Chinese have always had a comprehensive perception of power, the choice of strategies was limited in communist China by a strict adherence to ideological principles. With the retreat of the communist ideology and greater integration of the Chinese economy with the global economy, China's range of political and economic options to negotiate with other nations has expanded. The Taiwan and the South China Sea disputes have seen the application

of multi-pronged military, political and economic strategies. This became possible with the declining influence of communist ideology in China's foreign policy.

Again, the use of force in both these disputes is legitimized by reference to moral principles of anti-colonialism and anti-hegemonism. For China, the reunification of Taiwan is the culmination of the process of anti-imperialist, anti-colonial struggle launched by the CCP in the last century. While China strongly criticizes the US intervention in the Taiwan issue as a reflection of American hegemony, it asserts its legitimate right to use of force on the ground of defending the cherished international principle of territorial sovereignty.

With regard to the South China Sea dispute, China invokes the principle of territorial sovereignty and legitimizes its right to use of force in accordance with this principle. At the same time by proposing to defer its sovereignty claims in the South China Sea in favour of joint development of the region, China has tried to dispel concerns regarding its growing military power. However, there is a complex interplay between elite politics and the objective conditions of the dispute that produces a contradictory approach towards conflict-resolution in the South China Sea. And as such this dispute is a test case for analyzing Chinese pursuit of power.

Nature of the Two Disputes and Linkages with Strategies of Resolution

The Taiwan and the South China Sea disputes are both concerned with sovereignty, but there are fundamental differences between the two. The former is directly linked to the question of China's territorial sovereignty and national identity, while the latter is important for protecting China's economic and strategic interests in the region. The Taiwan issue is not merely a territorial issue for PRC but has implications for Chinese national identity. When PRC was established the issue of sovereignty was directly linked to its physical survival and to ensuring that it became the basis of political imperative, notwithstanding the fact that China gained in strength and gradually resolved its territorial disputes with most of its neighbours.

With regard to Taiwan, sovereignty continues to remain a highly emotive issue in China. The Taiwan question is crucial to re-establishing China's position in the world as an independent, sovereign and powerful nation. Beijing perceives the reunification of Taiwan with the mainland as a historical mission that would put an end to western domination and exploitation of China. The continued US interference in the Taiwan dispute is a constant reminder of the "century of humiliation" suffered by the Chinese at the hands of the western imperialist powers. The Chinese White Paper on Taiwan states:

The modern history of China was a record of subjection to aggression, dismemberment, and humiliation by foreign powers. It was also a chronicle of people's valiant struggles for national independence and in defense of their state sovereignty, territorial integrity and national dignity. The origin and evolution of the Taiwan question are closely linked with that period of history. For various

reasons Taiwan is still separated from the mainland. Unless and until this state of affairs is brought to an end, the trauma on the Chinese nation will not be healed and the Chinese people's struggle for national unification and territorial integrity will continue.¹

The Taiwan problem and Chinese nationalism have fed on each other and as such Taiwan is also a key element in maintaining the political legitimacy and credibility of the CCP regime. The Chinese government is completely opposed to the recognition of Taiwan as a separate country and no Chinese leader can afford to make a compromise on Taiwan. In the past two decades, the rise of nationalism in China and its increasing role in nation building has made the Taiwan dispute politically more significant within China.

On the other hand, the South China Sea dispute is linked more to economic and strategic interests and though the sovereignty issue is important, it does not have a direct bearing on the making of Chinese national identity. The islands in the South China Sea have never been under any colonial rule because they are largely uninhabitable. The legacy of the colonial past that makes the recovery of Taiwan central to Chinese national identity, therefore, does not operate in the Spratly Islands dispute. Moreover, this dispute is not a challenge to the political legitimacy of the CCP. It is a dispute between sovereign nations and as such lends itself to the institutional mechanisms of conflict resolution. Though the Chinese are uncompromising about sovereignty claims in the South China Sea, concentrating on joint development of the disputed islands has been the preferred strategy.

China's Strategies on the Taiwan Dispute

Since 1949, China and Taiwan have been competing for international recognition that has become more intricate since 1979 (de Lisle, 2000; Yahuda, 1996). PRC's Taiwan policy has gone through three distinct phases and in each phase the strategies have been formulated in response to a combination of domestic and external factors. These three phases are: policy of military liberation from 1949–79; policy of peaceful reunification from 1979–93; and the present policy of working towards increasing economic and cultural integration even while keeping the military option open. During the first phase, PRC advocated the policy of military "liberation" of Taiwan from Guomindang (GMD) rule. This was the most aggressive period of China's Taiwan policy; it resulted in an armed clash between the two sides in 1958 when PRC blockaded the island of Jinmen (Quemoy), which the Republic of China (ROC) forces broke through with the help of the US seventh fleet. During this period, though China advocated the peaceful liberation of Taiwan, no concrete policy measures were taken in this

¹ *Taiwan Affairs Office and Information Office of State Council, People's Republic of China, "The One China Principle and the Taiwan Issue", 21 February 2000. <http://english.people.com.cn/whitepaper/7/forward.html>, accessed on 18 January 2003.*

regard. The premise of PRC's advocacy of peaceful liberation was that GMD realized its mistakes and could willingly reunite with PRC under the guidance of the CCP.² GMD, on the contrary, claimed the Chinese mainland as the legitimate territory of ROC and advocated a policy of reunification under GMD rule.

Mao perceived the dispute between PRC and ROC as a clash between communism and capitalism and a continuation of the civil war. Accordingly, the liberation of Taiwan from capitalist rule was considered to be a goal of the socialist revolution. Similarly, GMD viewed the communist takeover of the mainland as "rebellion" and since 1949 Taiwan maintained the "period of national mobilization for the suppression of the Communist rebellion" that ended only in 1991 under President Lee Teng hui. Since the conflict was projected in terms of class struggle, the use of violent means to overthrow class enemies (GMD supported by the US) was a desired and legitimate goal for PRC.

Externally, PRC's Taiwan policy was influenced by Cold War politics and China's threat perception of the US military presence in the Taiwan Strait. The US made Taiwan its forward base to contain the spread of communism in East and Southeast Asia. The recognition of PRC in the international arena was negated by US support to Taiwan that represented China in the United Nations under the name of Republic of China. United States' open military and political support to Taiwan was institutionalized in the 1954 US-Taiwan mutual defense treaty. Though China was willing to use force to "liberate" Taiwan, its desire to do so was constrained by the US factor. Nevertheless, China continued to regularly shell Jinmen and Mazu (Matsu) islands until the normalization of Sino-US relations in 1979.

During the second phase, the normalization of relations between US and PRC changed the dynamics of the Taiwan dispute and brought about a major change in China's Taiwan policy. China then advocated the policy of peaceful reunification. Under Deng Xiaoping, China embarked upon a policy of stabilizing its internal politics and improving its external relations. Stability was given priority over military confrontation with Taiwan that could destabilize the Asia-Pacific region and adversely affect economic growth. At this time China followed a pragmatic foreign policy which aimed at deriving maximum benefits from the Sino-US rapprochement and not allowing contentious issues to derail the process that gained PRC greater international recognition. PRC also felt that an internationally isolated Taiwan would be more amenable to overtures from the mainland and, therefore, de-emphasized the use of force to achieve reunification. As an indication of its intention not to use force, the shelling of Jinmen and Mazu was discontinued. During this phase China put forward the thesis of "one country, two systems" given by Deng Xiaoping as the preferred solution to the Taiwan dispute.³ Under

² Zhou Enlai made a statement to this effect at the Bandung Conference in 1955 and Mao Zedong also made an offer for peaceful talks in an open letter to Taiwan compatriots issued by Defence Minister Peng Dehuai in October 1958. See Bo (2002).

³ *Ministry of Foreign Affairs of the People's Republic of China*, "A policy of 'one country two systems' on Taiwan", 2000. <http://www.fmprc.gov.cn/eng/5713.html>, accessed on 3 February 2003.

this formula, Taiwan could continue to maintain its own armed forces, its existing social and economic systems and its cultural and economic ties with other states. China also pressed for greater trade, investment, communication and transport links between the island and the mainland in the hope that greater economic interaction and people-to-people contacts would lead to political integration.

The second phase was an era of relative peace and increased interaction between PRC and Taiwan. These policy changes were prompted by domestic and external factors of which the dismantling of the communist framework of foreign policy was the most significant. While the location of power in PRC continued to be centralized there was a change of emphasis both in the definition and the nature of power and its legitimating principles. There was a direct link between the re-definition of China's national objectives and the changes in the strategies to address the Taiwan dispute. When the focus shifted from achieving the revolutionary goals of socialism to economic development and modernization, the strategies to achieve these goals also changed. While there was no change in the eventual aim of reunification of Taiwan with the mainland, the strategies to achieve this goal were derived from a more comprehensive definition of power. The concept of revolutionary power was replaced by the more pragmatic concept of comprehensive national strength that accorded economic power greater prominence. Consequently, the economic integration of Taiwan with the mainland was seen as a mutually beneficial strategy which could lead to the eventual reunification. Political strategies of holding talks with the Taiwan authorities were also a result of this redefinition of the nature of power. As the concept of class struggle lost ground in foreign policy calculations, the emphasis on violent strategies also lessened. This is not to argue that the element of force played no role during this time. However, since the policy of revolution was abandoned, it was possible to opt for a more calibrated use of force that included incremental military strategies of power projection rather than an actual use of force.

In the mid-1990s, the democratization process in Taiwan reflected greater support for independence and this made PRC apprehensive.⁴ Rise of Lee Teng-hui within GMD resulted in a more assertive Taiwanese policy for gaining international recognition. Lee Teng-hui fundamentally altered the hitherto unification-oriented Taiwanese policy when he urged countries having diplomatic relations with PRC to give "double recognition" to Taiwan as an independent sovereign entity (Lee Teng Hui, 1999: 9–14). Lee also officially ended the "Period of National Mobilization to suppress the Communist rebellion" in 1991 thereby in effect recognizing PRC as an independent country. This enraged the PRC leadership and it accused Lee of trying to split China into China and Taiwan. Coupled with concerns over Taiwan's assertion towards independence was China's apprehension over continued US arms sales to Taiwan. China had protested against

⁴ For an account of domestic political changes leading upto the Presidential elections in 1996 in Taiwan see Sutter (1994: 281–85) and for an account of political reform in Taiwan see Van Kesterade (1998: 104–15).

this ever since the US passed the Taiwan Relations Act in 1979 and its concerns over the supply of modern weaponry to Taiwan were aggravated by the US decision in 1992 to sell 150 top-of-the-line F-16 fighter jets to Taiwan (Bo, 2002: 11). China considered this as violation of the 1982 agreement between PRC and the US whereby the US had pledged that "its arms sales to Taiwan will not exceed, both in qualitative and quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between China and the United States."⁵ Taiwan also entered into agreements with France to purchase frigates and Mirage fighter planes, with the Netherlands to buy two submarines and with Belgium and Germany for missile generators and torpedoes. It also unveiled an ambitious and successful indigenous weapons research and development programme (Lin, 1993: 796). This sparked off an arms race between China and Taiwan.

Given Taiwan's more assertive policy for international recognition and acquisition of a modern war fighting capability, China thought it appropriate to reassert its stand on Taiwan rather aggressively. It issued a White Paper on Taiwan in August 1993 outlining a more aggressive policy than it had followed between 1979 and 1992. It cautioned Taiwan against following the policy of "double recognition" that implied the existence of two Chinas. Accusing the United States of interfering in its internal affairs and also holding it responsible for the Taiwan dispute, PRC reiterated that Taiwan was an internal matter to be resolved by China in whatever manner it deemed fit. The White Paper stated:

Peaceful reunification is the current policy of the Chinese government. But every sovereign country has rights to adopt all necessary means including military means to safeguard its sovereignty and territorial integrity. The Chinese government has no obligations to make promises to any foreign country or anyone who aims at splitting China about what means it will adopt to handle its own internal affairs.

These changes in policy were also related to the changing domestic political situation in China. The collapse of the Soviet Union and the Tiananmen Square incident posed great challenges to the political legitimacy of the CCP. The increasing importance attached to the human rights issue in international relations generally and in Sino-US relations particularly after 1989 also made the leadership apprehensive about foreign interference in China's internal affairs. With sanctions being imposed on it after the Tiananmen Square incident the human rights issue had a direct bearing on China's economic modernization. Given the political-institutional overlap between the party and the state, a challenge to the political legitimacy of the CCP was also perceived as a threat to China's political and economic stability. Under these circumstances, China needed to bolster its domestic and international

⁵ *The Information Office of the State Council of the People's Republic of China*, "The Taiwan Issue and China's Reunification, August 31, 1993". Translated in *Chinese Law and Government* 2002, vol. 35, no. 4 (July–August), pp. 35–58.

credibility. Renewed focus on nationalism became the dominant strategy to achieve this. Since the Taiwan dispute was closely related to the Chinese national identity, an assertive stand on Taiwan reinforced the nationalist sentiment.

However, the need for political stability was counterbalanced by the need to keep the programme for economic development and modernization on track. Therefore, even at the height of its nationalist sentiment the CCP did not advocate or undertake any aggressive policies towards Taiwan that might seriously endanger China's economic programme. The twin needs for making an assertive nationalist stand on the Taiwan issue and following a pragmatic economic policy resulted in a strategy of encouraging greater economic integration of Taiwan with the mainland even while not ruling out military action, if necessary. At the same time, China actively discouraged and whenever possible neutralized Taiwanese efforts to achieve greater political recognition in the international arena. Clearly then, the Chinese practice of power was based on a broader understanding and application of power, rather than only military force. This policy has largely remained in place till date with varying degrees of emphasis on economic integration and the threat of use of force depending upon domestic political developments in Taiwan.

This multi-pronged strategy was sought to be legitimized by emphasizing China's rights in the international system to safeguard its territorial integrity and political sovereignty in the face of foreign interference in its internal affairs. The issue of foreign interference mainly related to the United States but also included other states that accorded political recognition to Taiwan and those European powers which supplied it with weapons and weapons technology. In fact, the issue of foreign interference became the most significant basis of the Chinese claim on Taiwan and served as an enduring theme in China's Taiwan policy. This becomes evident from the following statements of top CCP leaders from Deng Xiaoping to the present leadership.

Deng Xiaoping in his speech of 26 June 1983 established a direct connection between Chinese sovereignty and continued US support of Taiwan. He asserted, "Under no circumstances will we allow any foreign country to interfere. Allowing foreign interference would simply mean China is still not independent, and that would lead to endless troubles" (Deng Xiaoping, 1983). The 1993 White Paper on Taiwan attributed the beginning of the Taiwan dispute to foreign interference, meaning US support of Taiwan:

After World War II, Taiwan was returned to China (PRC) not only *de facto* but also *de jure*. The emergence of a Taiwan issue is partly due to civil war that the Guomindang (GMD) started against the people, but more importantly due to intervention of foreign forces.⁶

⁶ The Information Office of State Council of People's Republic of China, "The Taiwan Issue and China's Reunification, August 31, 1993" Translated in *Chinese Law and Government* 2002, vol. 35, no. 4 (July–August), pp. 35–58.

Jiang Zemin on 30 January 1995, while enumerating his eight-point proposal stated:

Certain foreign forces have gotten further involved in the Taiwan issue interfering with China's domestic affairs. These activities have not obstructed the progress of China's peaceful reunification but also threatened the peace and stability and development of the Asia-Pacific region (Zemin, 2002).

Li Peng in a statement on the first anniversary of Jiang's eight-point proposal asserted:

We have always been in favor of reunification of the motherland by peaceful means, but we have never pledged to give up the use of force. This is by no means directed against the Taiwan compatriots but directed against the schemes of foreign forces to interfere in China's reunification and bring about an independent Taiwan. China's reunification is purely China's internal affair and it brooks no foreign interference in any form (Peng, 2002).

Similar statements have been made by Zhu Rongji (2002) and in the second White Paper on Taiwan released in 2000.⁷ The present top leadership of the CCP, including Hu Jintao also underlines the link between foreign interference and the perpetuation of the Taiwan dispute.

Since the mid-1990s, China has adopted a policy of coercion to dissuade Taiwanese drift towards independence. It conducted massive military exercises in the Taiwan Strait to coincide with Presidential elections in Taiwan in 1996 and 2000. The show of military strength was backed up by a more aggressive declaratory policy on Taiwan in the second White Paper released in 2000.⁸ In response to Chen Shui-bian's 1999 statement that relations between Taiwan and China were "state-to-state" relations (Lee Teng-hui, 2002), China identified three eventualities in which it could use force. The White Paper stated:

If a grave turn of events occurs leading to the separation of Taiwan from China in any name; if Taiwan is invaded and occupied by foreign countries; or if the Taiwan authorities indefinitely refuse the peaceful settlement of cross-strait reunification through negotiations.

The first is a clear-cut warning to Taiwan to continue the status quo, the second a warning to US and Japan from getting militarily involved in a conflict between Taiwan and China and the third is the escape route to actually postpone the resolution of the issue till such time that the solution is favourable to China.

⁷ *Taiwan Affairs Office and Information Office of State Council, People's Republic of China*, "The One China Principle and the Taiwan Issue", 21 February 2000.

⁸ "The One China Principle and the Taiwan Issue" PRC White Paper on Taiwan, 21 February 2000 <http://english.people.com.cn/whitepaper/7/forward.html>, accessed on 7 June 2003.

The last Presidential election in Taiwan, held in March 2004 did not see military exercises by PRC. The Chinese leadership realized that though this policy had succeeded until then from preventing a declaration of independence, it had two major negative fallouts. Firstly, it did not prevent the election of either Lee Teng-hui or Chen Shui-bian, but on the other hand, China's sabre-rattling before each election actually resulted in higher voter turnout. The result was that Taiwan was able to project the image of a democratic country being bullied by China through interference in its democratic process. China lost credibility in the international arena as a peaceful country, which in turn made it more difficult for the US to dilute its support for Taiwan over the years.

An analysis of PRC's policy towards Taiwan reveals that US military involvement has been the basis for China's repeated stress on the use of force. US involvement in Taiwan is perceived by China as interference in its internal affairs and is directly linked to the self-respect of China as an independent country. An independent Taiwan supported by the US would also be a strategic threat to China. Without US support Taiwan would never declare independence and hope to survive a Chinese attack. The Taiwan Relations Act is considered by China to be proof of the US desire to disregard China's territorial sovereignty. Even though, PRC cannot prevent the US from supporting Taiwan, an actual declaration of independence by Taiwan, supported by the US, could be seen as a surrender of China's sovereignty. This could also embolden separatist groups in Tibet and Xinjiang to carve up Chinese territory and lead to the disintegration of PRC. For the Chinese, this scenario would be reminiscent of imperialist powers dividing the territory of the Qing Empire while the Chinese emperor watched helplessly.

Given this, use of force to achieve reunification is considered by China to be a valid instrument of its Taiwan policy, as it would be directed at "foreign interference" in China's internal affairs. The symbolic value of such an assertion is very important for China both domestically and externally.

As already pointed out, in the 2000 White Paper, China has identified the events under which it would use force. China has refused to fix a time frame for the eventual reunification and given the Chinese sense of history, there is no imminent threat of China attacking Taiwan for its refusal to reunify.

Short of a declaration of independence, Chinese coercive policy is likely to be limited to a show of strength rather than actual military confrontation. The advantages of this policy outweigh the gains of forcible reunification of Taiwan that could lead to a trial of strength between the US and PRC in the Taiwan Strait, which PRC can ill afford (O'Hanlon, 2000). Such unilateral action would irreparably harm China's aspirations to a great power status as well as its international credibility and seriously endanger its economic development programme.

In sum, sovereignty and identity issues are at the core of Chinese strategies towards Taiwan. Humiliation at the hands of western imperialist powers is a recurrent theme in Chinese construction of national identity and China's weakness and inability to deal adequately with this threat has caused the Chinese nation great suffering in the past. At present when China is aspiring for a world power status,

it is likely to resolutely foil any design by outside forces to challenge its territorial sovereignty. While analysts are quick to point out the threat that China poses to Taiwan, they tend to overlook the threat to Chinese sovereignty from US involvement in the dispute. China can ill afford to ignore the very tangible threat that emanates from US commitment to protect Taiwan and its military presence in the Taiwan Strait. The Korean War and the 1958 Taiwan Straits crisis have convinced China of the dangers of a hostile naval presence in the Taiwan Strait. China's stand on Taiwan, therefore, emerges not from a desire to militarily subdue Taiwan into reunification but to assert its sovereign independence and resist any challenge to it.

South China Sea Dispute and Chinese Strategies

The South China Sea has four major groups of islands which have been a bone of contention between six claimants; PRC, ROC, Vietnam, the Philippines, Malaysia and Brunei. These are Spratly Islands (Nansha Islands), Paracel Islands (Xisha Islands), Macclesfield Bank (Zhongsha) and Pratas Island and Reefs (Dongsha). Of these the Spratly Islands continue to generate the maximum tension in the region (Samuels, 1982; Austin, 1998; Muller, 1983; Segal, 1985; Snyder, 1996). The Spratly are a group of small islands, atolls, reefs, shoals and cays in a region that is rich in marine resources and is believed to contain huge mineral and hydrocarbon deposits; they are also located in one of the busiest sea-lanes in the world (Chiu, 1977).

The South China Sea has become a potential zone of conflict in Southeast Asia. Except for Brunei, all other states involved in the dispute have established their garrisons in the Spratly Islands. The first major military conflict in the South China Sea took place between PRC and Vietnam in 1974 following which China established its claim over Paracel Islands. The second major confrontation between the two countries took place in 1988 over control of the Fiery Cross Reef in which Vietnam lost three naval vessels and seventy-two troops. Further, in 1995 China occupied Mischief Island, which was within the Philippine Exclusive Economic Zone (EEZ). Even though there has been no major confrontation between the different claimants in the past few years, South China Sea continues to remain as a potential conflict zone with the claimants seeking to enforce their overlapping claims by physical control of marine resources. For instance a number of incidents involving attempts at oil exploration in the archipelago have led to the heightening of tension between different claimants.

Existing literature on the South China Sea dispute suggests two different viewpoints about China's use of force in resolving the South China Sea dispute. The first argues that China is an aggressive power and is likely to use force in resolution of its maritime disputes (Segal, 1985). This argument also draws on the Chinese refusal to forgo the option of using force in settling the Taiwan dispute. The second, employing a more nuanced approach, argues that Chinese use of force in the

South China Sea is likely to be constrained by domestic, regional and international factors (Garver, 1992).

An application of the three-point model of the Chinese practice of power to an analysis of this dispute leads to the following observations. First, while the Chinese political-institutional structure of power remains centralized, elite politics within the locations of power has produced divergent strategies to deal with the dispute. In the absence of a broad consensus in favour of a stated goal in the South China Sea, competing interests of the various institutions have resulted in a fragmented approach to the issue. Unlike in the Taiwan dispute, where there is a consensus on the goal of reunification, in the South China Sea the demands of economic development, greater political interaction with ASEAN and military moves may not go hand in hand. Despite divergence between these strategies, the ultimate objective of each is to maximize China's gains in this region and to push for a resolution of the conflict that is to China's advantage. Second, this fragmented approach has produced simultaneously initiatives for political dialogue, proposals for joint development and the military occupation of marine resources.

Chinese strategy in the South China Sea has been to combine the political initiative of staking its claim to the South China Sea with a policy of creeping occupation of the uninhabited features in the region. Thus, China has basically adopted two strategies in regard to the South China Sea dispute: political and military.

Political Strategy

China has entered into a number of regional multilateral arrangements to resolve the South China Sea dispute including the annual conference/workshop sponsored by Indonesia since 1990, the China-ASEAN Code of Conduct and consultations with other nations under the aegis of the Council for Security Cooperation in the Asia Pacific (CSCAP), etc. China has also conducted a series of unofficial negotiations on maritime law with South Korea, Japan and other neighbouring countries and considers these exercise as a prelude to resolving overlapping territorial claims (Garver, 1992). What is significant to note in this context is that China has adopted new political strategies that were not available during the Maoist era because of a policy which was inward-looking and gave priority to self-reliance. Over the years, the Chinese strategy on the South China Sea dispute has evolved from the sole use of power, as against Vietnam, to include negotiation as an instrument to resolve disputes with other parties. Though Spratly Islands are declared by PRC to be an integral part of its territory, its approach to the dispute leaves open the option of concluding a politically pragmatic solution wherein PRC might jointly develop these islands with other states. The Chinese policy on Spratly Islands states:

China is committed to working with countries concerned for proper settlement of the disputes related to the South China Sea through negotiations in accordance with the universally recognized international law and the contemporary law of

the sea including the fundamental principles and legal regimes set forth in the 1982 UN Convention on the Law of the Sea (Foreign Ministry, 2000).⁹

The Chinese government has also put forward the suggestion for "shelving disputes and going in for joint development". Though joint development would in no way compromise China's territorial claims, such a pragmatic policy is borne out of the focus on economic development and indicates the Chinese sense of priorities on this issue. While China has not relinquished or modified its sovereignty claims in the South China Sea, it does not want the dispute to prevent it from harnessing the mineral and energy resources in the region. Further, in contrast to an uncompromising stand on bilateralism during the Maoist period, China's political approach to the South China Sea dispute has gradually changed to include regional multilateral initiatives over the years (Hongying, 2000). This change in policy is guided externally by the emergence of the unipolar world order and domestically by the desire for a greater role in the international system. Since the end of the Cold War, China has been advocating multipolarity as the preferred approach to international order and to counter growing US power. There has also been an appreciation of the fact that China could and must safeguard its national interests by participating fully in international, multilateral bodies.¹⁰ As a result China has made a tactical tilt towards multilateralism. This change is, however, more instrumental than fundamental, and does not mean that China is ready or willing to adopt multilateralism as a dominant part of its foreign policy. At the same time, there is a realization in China that multilateral processes are an input into creating a multipolar world, which, as said earlier, is one of the goals of contemporary Chinese foreign policy (Zongshi, 1999). China would stand to lose both in political and material terms if it stays away from global multilateral fora such as the UN. This has prompted greater Chinese participation in many international treaties and conventions. Among others this includes the United Nations Convention on Law of the Sea (UNCLOSIII), adopted in 1982 and ratified by China in 1996. This convention is of considerable significance in the context of the South China Sea dispute as the claimants have agreed to resolve the dispute within the framework of UNCLOS.

China has been criticized with regard to the above political processes as being reluctant to commit to any legally binding instruments of conflict resolution. Given that China's incorporation into the family of nations was the result of gunboat diplomacy, Beijing has traditionally been suspicious of multilateral processes. As a result, the Chinese have been selective both in the pace and the nature of their integration with the outside world. China has signed international agreements

⁹ Foreign Ministry of the People's Republic of China, "Basic Stance and Policy of the Chinese Government in Solving the South China Sea Issue" 2000, <http://www.fmprc.gov.cn/eng/5747.html> accessed on 18 January 2003.

¹⁰ Foreign Ministry of People's Republic of China, "China's View of Multi-polarity", <http://www.fmprc.gov.cn/eng/4499.html> accessed on 3 February 2003

and treaties from a position of strength, rather than being coerced into them. The timing of the signing of the NPT and China's entry into the World Trade Organization (WTO) are evidence of this. As regards the South China Sea dispute also, China, being the largest power in the region, prefers a bilateral approach towards conflict resolution wherein it can negotiate from a position of strength. China is apprehensive that Vietnam and the ASEAN might unite to press for concessions in the resolution of the conflict. This would prejudice Chinese interests and generate negative public opinion at home, which might actually force the Chinese government to take a more uncompromising stand. Therefore, it would be easier for China to make concessions in bilateral deals with the littoral states in the South China Sea rather than appear to be pressurized into making concessions by a united ASEAN. Moreover, a multilateral approach also has the potential of providing a pretext to outside powers like the US to play an active role in the dispute to which China is opposed. As of now the US maintains a neutral attitude towards the dispute and emphasizes the importance of ensuring unhindered flow of sea and air traffic in the South China Sea. This approach could change if the US feels its vital interests that is, navigation and overflight rights in the region are threatened by a more pro-active policy by China.

Military Strategy

Growing Chinese naval power has increased the apprehension of the Southeast Asian nations regarding China's intention about the use of force. Till the early 1990s the use of force was restricted to firing warning shots at rival ships and arresting foreign civilians. China has also attempted to stake its claim to the region by giving oil exploration rights to multinational companies for drilling in the sea (Dobson and Fravel, 1997). However, by the early 1990s, China's policies in the South China Sea, especially towards Spratly Islands, underwent a change. While continuing with its programme for naval modernization, China proposed to withdraw all military forces from Spratly and work towards the joint development of the resources of the region. China sought to reassure the other littoral states about its peaceful intentions in the South China Sea. In 1993 Foreign Minister Qian Qichen underlined China's willingness to participate in regional security dialogues and reiterated Chinese commitment towards the peaceful settlement of any territorial disputes (Qian Qichen, 1993). A possible explanation for China's soft policy could be that China was trying to re-establish its international image after the Tiananmen Square incident. The change in policy was also a result of the resurgence of neo-conservative forces in China that regarded domestic and regional stability as essential for the success of China's economic modernization.¹¹ However, China's occupation of Mischief Reef in 1995 dealt a blow to its efforts to

¹¹ The neo-conservative discourse in China represents concerns with political and economic stability in China and advocates strengthening of the political authority and a gradual pace of economic reforms

convince the regional states about its intentions to eschew use of force in the South China Sea. This was a classic example of China's dualistic policy in the Spratly that had elements of both political negotiation and an assertive military policy. Analysts predicting a more aggressive Chinese approach in the South China Sea and specifically towards the Spratly's base their arguments on two major factors. First, they argue that the increasing demand for energy is impelling China to adopt an aggressive approach towards the South China Sea; China is likely to resort to the use of force in securing the energy resources in this area. Second, they argue that the resurgence of nationalist sentiments within China is making the South China Sea issue more important for the political legitimacy of the CCP regime. Both these arguments can be contested.

While China's energy consumption is increasing at a phenomenal rate, it would be simplistic to establish a causal link between the increasing energy demand and aggressive policies with regard to the South China Sea. Felix Chang argues that if the "seizure of energy resources was high priority, then it is surprising that China failed to take greater action during the Asian financial crisis in the 1997 and 1998 considering its relative military strength and Southeast Asian economic and political disarray at that time" (2001). Further, as long as other means are available to maintain an uninterrupted supply of energy for China's national growth, it is unlikely that China will resort to the use of force. China has been making efforts to ensure an uninterrupted flow of energy that includes diversification into natural gas, buying oilfields in other countries like Peru and Venezuela, and concluding agreements on joint development of oilfields in Kazakhstan and Iraq (current status of the latter deal is unknown). In June 2002, the discovery of gas in the Chinese province of Inner Mongolia gave a fillip to China's hopes to increase the share of natural gas in its energy consumption. China's National Petroleum Corporation and the State Planning Commission are in the process of developing a national gas pipeline grid. It has also entered into a number of deals with major oil companies to develop its offshore oil potential (Chang, 2003). It is significant that China has made many proposals for the joint development of the Spratlys indicating its willingness to underplay competing sovereignty claims for the time being. Garver has argued that in the 1990s China's primary motive in increasing its presence in the South China was to have access to its economic resources (1992). Therefore, as long as economic development remains the overriding concern with the Chinese leadership, the need for regional stability in the Asia-Pacific would restrain any major Chinese military campaign to annex Spratly Islands.

As regards the nationalism argument, the dominant view among China scholars is that the recovery of "lost territories" in the South China Sea is a major input into the nationalist discourse and, like the Taiwan issue, plays an important role in maintaining the political legitimacy of the regime. In contrast, Leni Stenseth, in a survey of Chinese national media and Chinese research journals, concludes that the Chinese leadership is careful not to use the Spratly Islands dispute as a legitimating factor for the stability of the regime (1998). Stenseth points out that articles related to "recovering" the territories in the South China Sea appear with greater

frequency in military journals like *Guofang* and not in mainstream papers like the *People's Daily* which is the mouthpiece of the party. Stenseth argues that China's aggressive stance in the South China Sea is related more to a political transition rather than a long-term national ambition for hegemony in the South China Sea. Stenseth's analysis also suggests a difference in orientation between the formal foreign policy apparatus, including the Ministry of Foreign Affairs, and the PLA. While the former advocates a more conciliatory policy embodied in the proposal for joint development of the South China Sea, the latter adopts a more aggressive policy of physical occupation of marine resources in the region. Stenseth argues, "the construction of installations on Mischief reef that are most probably military, could result from PLA-initiatives that receive only lukewarm support, or perhaps even resistance, from other decision-makers in Beijing" (Stenseth, 1999). Other scholars have also made similar observations (Dobson and Fravel, 1997; Garver, 1992). Similarly, the programme of naval modernization was not so much a result of an explicit Chinese policy to use force in the South China Sea region but was a result of internal differences over the share of the enhanced defence budget (Garver, 1992). Scholars believed that the greater resource allocation in the 1990s to PLA was a "payback" for the role it played in bringing the situation under the control of CCP during the Tiananmen Square incident (Cossa, 1994; Garver, 1992). In the absence of an imminent Soviet or an American threat, PLA justified its demand for a greater share of the defence budget on the ground that there was an urgency in recovering the "lost territories" in the South China Sea, both for political and economic benefits. However, the chances of an actual military takeover of Spratly is constrained by the need to politically and militarily stabilize the South China Sea. Chinese interests in the South China Sea are more economic than geo-strategic and exploiting the economic resources of the region can only materialize if the military and political situation in the region remains stable. Moreover, a military takeover of the region will not help China's relations with ASEAN and is more likely to hurt its current sizeable trade with the region. Above all, before exercising its military option with regard to Spratly, China needs to factor in US displeasure, which would hurt its larger political and strategic interest in the Asia-Pacific region.

Thus, China's South China Sea policy, with its combination of hard and soft options, is a reflection of the changing Chinese attitude towards managing protracted conflicts vis-à-vis Taiwan and the South China Sea region. It is also an outcome of a more diffused process of decision making with "thickening of the elite" and competing institutional interests. With the increase in the number and function of "public intellectuals", there is a relative strengthening of the linkages between public opinion and policy making. In other words, policy needs to be more responsive to public opinion. The strong public reaction against the bombing of the Chinese embassy in Belgrade and the EP-3 spy plane incident indicates the extent to which aggressive nationalism can shape public reaction in China. On the other hand, the Chinese government is in a unique position of not factoring public opinion in policy making to a large extent and, therefore, the final decisions are influenced more by elite politics than public opinion.

Conclusion

In sum, analyses that suggest a direct correlation between increasing Chinese military strength and more aggressive policies ignore the complex interplay of factors that arises from elite politics within a centralized power structure, a redefinition of power resources in the post-Mao period and the need to justify the use of power in moral terms. Further, to suggest that China's declaration to reserve the right to use force in the Taiwan dispute is proof of a generally aggressive policy is also erroneous. The Taiwan and the South China Sea disputes are fundamentally different in terms of their linkages to political legitimacy and China's national objectives. Therefore, to apply the conclusion of one dispute to the other is to ignore the actual conditions of each dispute.

The Chinese leadership has identified stability and national greatness as its broad national objectives. The struggle between competing demands of achieving social stability, economic development and national greatness will be a constant feature of Chinese elite politics for the next decade. However, as social stability and economic development are actually inputs into achieving national greatness, they will constrain the adoption of aggressive policies that might endanger China's domestic and regional stability and derail its economic development programme.

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*China and the North Korean Nuclear Issue**

Yiwei Wang

The North Korean nuclear issue has received a great deal of international attention, especially in the context of the role that China can play in diffusing the crisis. China's role in the six-party talks has been grossly overstated or misunderstood. To have a realistic assessment, one needs to understand China's diplomacy in a broad perspective. Again, China's approach to the problem fits into its new strategic thinking—the peaceful rise. As regards the means, China could use economic incentives, political dialogue and/or military pressure to encourage North Korea to give up its nuclear programme.

In recent years, the world witnessed with high expectations China's role in the six-party talks, being held with the intention to defuse the crisis caused by reports that North Korea has been diverting spent fuel from nuclear reactors for production of nuclear reactors. However, it needs to be stated that China's role in the North Korean nuclear issue has been grossly overstated or totally misunderstood. To realistically assess China's role in these efforts, we need to take into account China's domestic developments and international strategy. In other words, China's behaviour should be understood in a broad perspective and in the context of the new strategic thinking of China's so-called peaceful rise.

Misconceptions About China's Role

That China's role in the North Korean nuclear issue has been greatly misunderstood becomes evident from a careful evaluation of the following assumptions.

The first assumption is that China holds enormous leverage over the North Korean nuclear issue. Since US attention remained focused on the West Asian region in the aftermath of 11 September 2001 there was little time for the Bush

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administration to address the North Korean issue directly. Such a situation provided China enough scope to play an active role. The US, indeed, seemed to have relied on China's active assistance, when it acknowledged that "China's role will be central to any resolution of the current crisis" (Robertson, 2003). The former US Secretary of State Colin Powell cited the reasons for turning to China for help. He remarked in an interview on 9 February 2003:

Half their foreign aid to North Korea, Eighty percent of North Korea's where-withal, with respect to energy and economic activity, comes from China. China has a role to play, and I hope China will play that role.¹

It does appear, however, that China's influence over the Democratic People's Republic of Korea (DPRK) has been often exaggerated, especially by the US. While recognizing the valuable role of China in amicably resolving the crisis the United States reminds China that it was China's own responsibility to resolve the problem.

Is the North Korean nuclear issue China's own responsibility as the US maintains? To some extent, as China is one of the two countries which have formal diplomatic relations with DPRK. The other country Russia which has formal relations with DPRK of late regards the Far East region as not its primary concern. China is the only country that has good relations with all other five parties: the US, Russia, Japan, South Korea and of course North Korea. China is DPRK's most important ally economically and militarily. So, China cannot shirk its responsibility.

But the question is: does such an issue concern China's core national security and interests? Of course China cannot let this problem overshadow or upset the primary issues in its strategic thinking. China's primary concerns are economic growth and the Taiwan issue. Therefore, China can always have the option of not being so active and putting pressure on DPRK to come to the negotiation table.

Indeed, many Chinese believe that the danger of the North Korean nuclear issue has been exaggerated. In their opinion, the US is deliberately scaling up the seriousness of the threat, which DPRK is deftly using to serve its own ends.

Another assumption relates to the fact that China worries most about the nuclear arms race in East Asia. Many analysts assert that "China worries that a nuclear North could set off a regional arms race and has become increasingly impatient as the crisis has dragged on, with no end in sight despite Beijing's unusually active efforts to find a diplomatic resolution" (Ruwitch, 2004). This may hold true, but only to an extent. For China worries more about Japan's nuclear capability than that of North Korea and China always asserts that it does not want to live in an environment surrounded by nuclear neighbours. But after the Iraq war (2003) China has revised its thinking that DPRK's nuclear capability will force Japan

¹ Interview with Colin Powell, *Fox Sunday News*, 9 February 2003.

and Taiwan to go nuclear. China believes that the US was capable of prevailing on both Japan and Taiwan not to go nuclear, if only it wanted to do so. China was convinced that the nuclear ability of these two countries could threaten US national interests as well. Therefore, the US would not allow either country to acquire nuclear capability. What worries China very much is that the US might help Japan and Taiwan to build weapons of mass destruction (WMD) systems under the excuse of the North Korean nuclear threat.

Yet another assumption underlines China's ambition to reclaim the Korean Peninsula as its tributary in the region. Not only China's influence over DPRK has been exaggerated, but also its intention to play an active role in resolving the crisis has been misunderstood. Such an assumption reinforces the perception of the so-called "China threat" in another way: "China tends to view the Korean peninsula as its natural sphere of influence"¹ (Shambaugh, 2003). But the new Chinese leadership is more forward looking. China's peaceful rise strategy makes the cliché of a "China threat" almost irrelevant.

Finally, it is assumed that China wants to use the North Korean issue as a bargaining card with the US for the Taiwan issue. Many ordinary Chinese believe that China wants to help the US on the North Korean nuclear issue to expect greater understanding from it over Taiwan issue in return for China's cooperation. Some even feel that China's gesture may improve overall Sino-US relations. However, the Chinese leadership may have very well realized that the Taiwan issue to some extent has become a domestic issue in the US under the Taiwan Relations Act. In that sense, the North Korean nuclear issue is totally different from the Taiwan issue. Therefore, it will be quite difficult for China to strike a deal with the US on the Taiwan issue in lieu of Chinese help in resolving the North Korean crisis.

However, the Chinese government feels the pressure of public opinion. Therefore, it seeks to maintain a balance between the North Korean nuclear issue and the Taiwan issue so that the anti-Americanism among the Chinese people does not grow beyond a point.

In sum, China's role in the North Korean nuclear issue needs to be viewed against the backdrop of China's grand strategy that has been identified in recent years with the aspiration of the country's "peaceful rise" in the world arena.

Understanding China's Peaceful Rise²

Though the rise of China is an indisputable fact, there is no consensus within the international community on the future course of action that China would adopt.

Peaceful rise has become China's national will and strategic goal. During his address to Harvard University in November 2004, Premier Wen Jiabao for the first time articulated to the world China's self-confidence in and commitment to successfully pursuing its peaceful rise.

² See Yiwei Wang, "The Dimensions of China's Peaceful Rise", *Asia Times*, 14 May 2004.

In international politics, the word "rise" is always linked with "decline" or "fall." In the west, since the word "rise" denotes a potential "change of hegemony" or "transfer of power," the emergence of a new power invariably makes traditionally hegemonic countries uneasy. Moreover, since westerners believe in "democratic peace" they doubt whether China can become "democratic" in the future and, therefore, recognize the theory of the "China threat" more than the theory of "China's peaceful rise." Within China, the term "great rejuvenation of the Chinese nation" replaces the word "rise." However, the word "rejuvenation" can also bring back to neighbouring countries the memories of China's imperial past, thereby, vitiating regional harmony. The Chinese aspiration for "peaceful rise" was viewed in the region as legitimate, but the policy was pursued at such a pace and in such a fashion that the regional environment was not negatively affected.

The Rationality of China's "Peaceful Rise"

The broad trends in world affairs are helpful to China's "peaceful rise" project. Economic globalization and the vigorous development of regionalism have created a favourable international economic climate for China. The process of China's rise has just overlapped the transformation of world politics and economy, so the rise of China is with the tide of development. Moreover, the peaceful ascent of Asia has become the basis for China's peaceful rise. The new basis for cooperation among the big powers in the new fields of security such as anti-terrorism and anti-proliferation has created a favourable international political environment for China's rise. Generally speaking, most of the big powers have recognized China's pre-eminence in the region. China has been actively seeking to resolve its disputes with neighbouring countries peacefully through negotiations. So far it has resolved territorial disputes with most of its neighbours and has also reached a broad consensus with all concerned parties on dealing with the remaining issues through peaceful means.

Disputes over territory and water resources are not preventing China from developing good relations and cooperating with its neighbouring countries to build regional security. Further, with the improvement of its national strength and international status, China is increasingly looked upon by major powers, neighbouring nations and the Third World countries to play a more active global role, which builds a positive image for the country. In fact, given China's huge population and growing involvement in the process of globalization, it would not be in the interests of the world if China did not rise.

The Legitimacy of China's Rise: Rise by Peace

The approach China has adopted for its ascent is inevitably peaceful. To promote the ultimate goal of emerging as a peaceful, democratic and civilized nation it has garnered resources and gained momentum through constructive means like active

participation in international affairs. It may be stressed in this connection that the process of China's rise is fundamentally different from the processes that saw the rise of other powers in history.

China's rise stems from the rapid growth of the economy, which is largely based on its domestic market. Its economic development also hinges on a peaceful and stable international environment. Rather than choosing the road of external expansion as some big powers have done in history, China has chosen the mode of combining self-reliance with opening up of its economy, which has laid the material foundation for China to rise peacefully. Ensuring all round development of the society provides the domestic basis for the legitimacy of China's ascent. The promotion of the new security concept with mutual trust, mutual benefit, equality and cooperation as its core and the successful functioning of the Shanghai Cooperation Organization have contributed to enhancing the international basis for the legitimacy of China's peaceful rise.

China's rise also comes from the growth of its soft power and contributions to the world. China has adjusted its priorities while dealing with the major powers, neighbouring countries and the Third World. China seeks to improve and develop its relations with developed countries by working towards the promotion of common interests. On the other hand it has pursued the policy of "being friendly to and making partners with neighbouring countries" and seeking to strengthen unity and cooperation with the Third World.

Further, China's economic growth has made significant contributions to the growth of world GDP and global trade. It has also played a constructive role in seeking a peaceful solution to the nuclear issue on the Korean Peninsula. Since China has not adopted the approach of challenging the hegemony and world order for its rise and has sought to conduct itself as a responsible country within the given international system, its growth is hailed by the international community.

Matching Objectives of China's Rise: Rise for Peace

In terms of impact, China's peaceful rise implies "rise for peace." Specifically, China seeks to ensure its own security and development by means of realizing world peace and prosperity. The goal of China's rise is to "build an all-round well-off society" internally and to "maintain world peace and promote common development" externally. China's rise serves to better safeguard and realize the human rights of the 1.3 billion Chinese citizens and to better realize the national right of China. China's peaceful rise is, however, not without challenge. The greatest challenge before China is how to ensure balanced and coordinated development between regions and industries and how to stabilize the situation in the Taiwan Straits to achieve peaceful reunification.

The challenge also relates to its ability to realize the peaceful and steady development of the Sino-US strategic relationship and promoting win-win Sino-Japanese relations. The competition between the big powers in the future is not merely a

competition of comprehensive strength but one between the continental blocs based on regional integration, mostly between Europe, America and Asia.

The future of China lies not only in managing its own economic problems but also in becoming the engine for Asian integration and another sphere independent of Europe and America. If so, national unification and the Sino-US or Sino-Japanese relations may not come in the way of the rise of China.

North Korean Nuclear Issue and China's Grand Strategy

One may ask whether the North Korean nuclear issue is an opportunity or a challenge to China's peaceful rise? Of course that does not mean that China will make use of the North Korean nuclear issue or crisis to promote its national interests. One needs to understand China's diplomacy in a larger context; its role in the North Korean nuclear issue is only a part of that.

How do the Chinese view the North Korean nuclear issue? It is hard to find a common perspective that binds all sections of the Chinese state and society; there are differences in perspectives between the government and civil society, the elite and the masses, and even between regions. Further, one cannot characterize those perspectives as liberal or conservative. For example, one of the most influential newspapers *Nanfang Zhoumo* (*Southern Weekend*) based in Guangzhou, which is considered the representative of liberal voice, has published an article arguing that North Korea has the right to develop nuclear weapons facing American military threat (Liang, 2004). Chinese leaders usually view the North Korean nuclear issue from a political perspective while ordinary Chinese think it is not China's concern and it just wants to do a favour for the US. Some of them even think that China's claim to be a responsible country in this regard is just an excuse to be in the good books of the US.

With regard to China's help to North Korea, the foreign affairs department does not agree with the views of the energy, commerce and defence departments. But because of political considerations, the differences between various departments do not negatively affect the overall policy as such.

As regards the differences between the elite and the masses, they have different perceptions about the danger of the North Korean nuclear issue. Scholars usually exaggerate the threat of another Korean War or nuclear arms race around China, which will damage the country's security environment greatly (Yinghong, 2003). The ordinary Chinese people, however, do not perceive it to be such a serious issue even though very few of them think positively about North Korea.

The older generation in China still remembers the days of *Kangmeiyuanchao*, *Baojiaweiguo* (to help Korea by resisting America) during the Korean War in the 1950s and wish their country to stand by North Korea in the midst of US threats now also.

As regards the various regions, people from the eastern and southern regions which are rich and open-minded usually hold views which are somewhat hostile to North Korea, influenced as they are by the western media. But the people in the

northern region, especially those living near the Korean Peninsula and from the inner area, are quite sympathetic towards North Korea and by implication hold negative views about the US.

Possible Scenarios and China's Preferences

China has made its position on the nuclear issue quite clear. It is based on three basic principles: (a) peace and stability in the Peninsula should be preserved; (b) the Peninsula should remain nuclear free; and (c) the dispute should be resolved through diplomatic and political methods (Robertson, 2003). But China's position needs to be understood in a broader context of strategies and perspectives associated with other countries in the six-party fold. This has been illustrated in Table 1.

It becomes clear from Table 1 that "China's policy toward North Korea's nuclear programme has been guided by two objectives: that the Korean Peninsula must be free of nuclear weapons, and that the dispute over the North's nuclear policies must be resolved peacefully" (Hachigian, 2005). But the US policy is aimed at denuclearizing North Korea by any means. This opens up the possibility of cooperation as well as confrontation between China and the US over the North Korean nuclear issue.

Challenges and Opportunities for China

The sixteenth Chinese Communist Party report which was released in the end of 2002 put forward the blueprint for China's new diplomacy. This new diplomacy would focus on a three-tier policy: first, China should have good relations with great powers, then it should have good-neighbourly relations and the third preference is relations with developing countries. This order of preference is also apparent in the report to China, the relations with the great powers are of the first importance; relations with its neighbours are the key; relations with the developing countries are the base. The North Korean nuclear issue encompasses all the concerns: Sino-US relations, good-neighbourly relations with countries of the North-east Asian region and as the most important example for China's alliance policy with former ally, North Korea. China cannot afford to lose North Korea. It is argued that, "North Korea is just a place where China can show to the world its ability and responsibility as a major power; North Korea may not be China's political liabilities but political asset".³ With the decline of trade between Russia and North Korea, China has emerged as the biggest trade partner of North Korea and therefore assumes a significant role in helping North Korea cope with its economic problems. Though Chinese-North Korean trade was based on cash

³ Jin Guangyao and Fang Xiuyu, "China's Policy toward North Korea: Historical Review and Present Challenges", to be published in a collection of papers at the Graduate School of International Studies, Sogang University, Korea.

Table 1
Six Interlocators vis-à-vis Possible Preferred Outcomes over the North Korean Nuclear Issue

Nations	Best	Goals Middle/Medium/Moderate	Worst
China	Non-nuclear zone in the Korean Peninsula. DPRK's regime survives by opening up and reforming, improving relations with its neighbours, building up the security mechanism in Northeast Asia, creating the necessary premise for FTA in Northeast Asia, serving to rejuvenating the northeast region of China.	Peace and stability in the Korean Peninsula. DPRK's nuclear programme dismantles step by step through six-party talks.	Collapse of DPRK regime or being overthrown by the US. DPRK becomes nuclear state publicly, provoking Japan's and Taiwan's nuclearization thus damaging the security situation in Northeast Asian region
DPRK	Build up diplomatic relations with the US, Japan, improving fundamentally the security environment, creating a good external environment for reform and open to the outside.	By making concession to freeze its nuclear programme, gains the assistance of energy, food and economic assistance, getting the security guarantee from the US as well as suspension of sanctions, removed from the American list of terrorism supporting countries.	DPRK regime being overthrown by the US. Standoff in the six-party talks, without hope for assistance. Sanctions still continue with no sight of security guarantees
US	Dismantling of North Korea's nuclear programme by CVID ensuring supply of the enriched uranium and plutonium. Destruction of all nuclear weapons and facilities which existed before 1994; Korean Peninsula becomes a non-nuclear zone.	Freeing North Korea's known nuclear programme and destruction of unknown nuclear establishments spread over several stages. North Korea will not challenge America's policy of anti-proliferation and anti-terrorism	North Korea becomes nuclear state publicly, engages in proliferation of WMD, supports or carries out terrorist activities
ROK	Narrowing the gap between the South and the North by peaceful evolution and assistance, unification in the end on the Germany model.	North Korean nuclear issue is kept under control. Korean Peninsula remains peaceful and stable.	North Korean nuclear issue goes out of control and graduates as a military conflict

Table 1 continued

Table 1 continued

Nations	Best	Goals		
		Middle/Medium/Moderate		Worst
Japan	North Korea gives up the nuclear weapons option, categorically renders diplomatic relations, solves remaining problems like detained hostages	North Korea made out on and accepts assistance, Japan will gain more control over the issue holding the leverage of economic power.		North Korea officially becomes a nuclear state.
Russia	Agreement on non-nuclear zone in the Korean Peninsula. Prosperity and stability of the Korean Peninsula, long-term security mechanism in place; inclusion of the Far East region of Russia into future FTA of Northeast Asia along with the development of Tu Men river.	As the possible provider of energy to North Korea, Russia will get deeply involved when the six-party talks enter the stage of assistance. Russia is set to play a more active role in the Northeast Asian region through its energy leverages		The nuclear issue goes out of control and North Korea becomes a nuclear state publicly, provoking retaliation from threatening the balance of power in the region and fitting the scenario further in favour of the US.

Source: formulated by the author.

Note: Best: the ideal situation

Medium: real objectives which are being pursued

Worst: the worst situation that should be avoided

payments after 1992, China continued to provide economic assistance to North Korea when it experienced a serious famine in the mid-1990s. The food and oil provided by China accounted for a considerable proportion of North Korean import. For instance, in 1996 North Korea imported 50 per cent of its food items from China, while the oil import amounted to 100 per cent. In 2003, "70 to 90 per cent of North Korea's annual energy supplies, roughly 30 per cent of its total outside assistance and 38 per cent of its imports came from China" (Kang and Cha, 2003). Thus, Chinese economic support was of vital importance to North Korea.

As a South Korean scholar has put it very aptly: "In general, China has a long tradition of abiding by its belief and principles when it comes to foreign policy and behaviour, especially when a problem directly connected to its national interests or ally arises" (Choo, 2003). China seeks to convince North Korea that while counting on China's unconditional military help it cannot rely on the Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance (signed on 11 July 1961, which became effective on 10 September 1961) to have a military showdown with the US.

Conversely, it is possible that "China's cultural influence on North Korea, although rooted in history and geography, has possibly declined in recent years as Pyongyang's paranoia about its own stability has increased" (Horowitz, 2004–05).

China finds it more and more difficult to provide economic inducement to North Korea to persuade it to go to the negotiation table, again and again. For example, after North Korea went public about its nuclear weapons and decided to withdraw indefinitely from the disarmament talks on 10 February 2005, Wang Jiarui, head of the international liaison department of the Chinese Communist Party, paid a visit to Pyongyang on 19 February 2005 to persuade North Korea to come back to the six-party talks, without promising any increase in its economic assistance to North Korea.

To sum up, China has three means: economic incentive, political persuasion and military pressure to encourage North Korea to give up its nuclear weapons programme, but it is not easy to achieve.⁴ China's attitude towards the North Korean nuclear issue is both defensive and offensive. It is defensive in the sense that China just plays the role of a moderator to urge the US and DPRK governments to return to the 1994 Agreed Framework and to resolve the dispute through dialogue—this approach is quite similar to China's attitude towards the Taiwan issue urging the Taiwan authority to come back to the 1992 consensus. Further, the pre-occupation of the US with the Iraq crisis provides a greater scope to China to play an active role in the North Korea nuclear stalemate. As regards its offensive approach, China hopes to deal with the North Korean nuclear issue within the framework of its peaceful rise strategy. In other words, the North Korean nuclear issue should be negotiated by peaceful means, should serve long-term security

⁴ "China Vows to Help Revive N. Korea Talks", *Los Angeles Times*, 14 February 2005.

and political arrangement in Northeast Asia and ultimately prepare for the peaceful unification of the Korean Peninsula. It is both an opportunity as well as a challenge for China's peaceful rise strategy.

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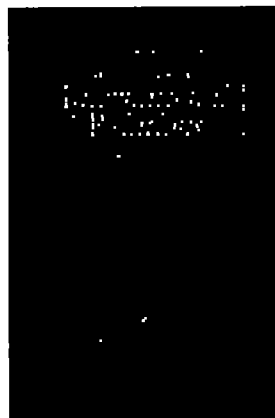
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US-India Strategic Partnership: Implications for China

Zhang Guihong

The dramatic development of the bilateral relationship between India and the United States after the end of the Cold War, through strategic dialogues following Pokhran II and reciprocal visits of two top leaders, along with post-11 September 2001 transformation, reached a new height when the two declared and implemented the Next Steps in Strategic Partnership (NSSP) in 2004. Based on common values and interests, the US-India strategic partnership demonstrates in the realms of both security and economic fields. The strategic partnership between Washington and New Delhi has significant implications for China's relations with the two countries, each of which has played an increasingly important role in China's ties with the other. After reviewing some convergences and divergences that China has with one country as regards the other, the paper proposes some strategic alternatives and policy options for Beijing with a view to helping the strategic triangle among China, the United States and India emerge.

From Natural Allies to Strategic Partners

Initial Breakthrough

The end of the Cold War saw an American security strategy of "beyond balance of power" towards South Asia, with characteristics of tilting towards India with the aim of transforming the relationship between the two countries from estranged to engaged democracies (Guihong, 2005; Harrison and Kemp, 1993; The Asia Society, 1994; Haass and Rose, 1997; Bertsch, Gahlaut and Srivastava, 1999; Bajpai and Mattoo, 2000; Cohen, 2000; Talbott, 2004). Even though the twelve rounds of strategic dialogues between US Deputy Secretary of State Strobe Talbott and Indian Minister for External Affairs Jaswant Singh from June 1998 to September 2000 after Pokhran II, did not result in any agreement on non-proliferation they certainly bridged many of the gaps in understanding between the two countries. This implied the beginning of a real strategic engagement (Haass and Halperin,

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1998; Talbott, 2004; Wojtysiak, 2001) and resulted in a pro-India shift in US policy in the Kargil conflict in 1999.

The US-India strategic partnership may be traced back to President Bill Clinton's historic visit to South Asia in March 2000. Bill Clinton, the first US President to visit India since 1978, brought a Clintonmania during his 6-day stay in India. As one senior US official noted, Clinton's visit was "a trip more to India than to South Asia" (Riedel, 2000). With this, the relationship between the world's two largest democracies entered, what the joint communique entitled "Indo-US relations: A Vision for the 21st Century" termed a new continuous, constructive in the political area and beneficial in the economic arena. It was to form the basis for mutual strategic, economic and political gains. Moreover, both sides agreed to institutionalize bilateral dialogue through a range of high-level meetings and working groups on various areas of cooperation. During his return visit to the US in September 2000, Indian Prime Minister Atal Behari Vajpayee described US as a "natural ally" for India based on the compatibility between the two democracies.

The Republican government continued with Clinton's policy of tilt towards India. Many senior officials of the George Bush administration frequently made use of the term "transformation" to describe US-Indo relations (Blackwill, 2002; Haass, 2003). Three important developments underpinned this transformation. First, India more readily endorsed President Bush's proposal for missile defence than most of the US allies. Second, the visit of General Henry Shelton, the chairman of the Joint Chiefs of Staff (JCS)—the highest ranking US military official to visit India since 1998—marking the revival of both the Defence Policy Group (DPG) and US defence cooperation with India. Third, the Bush administration was preparing to suspend all nuclear-related sanctions on India even before 11 September 2001. As the US Department of State spokesman Richard Boucher described these developments aimed to transform "estranged democracies" into "engaged democracies" (Boucher, 2001).

The 11 September 2001 attacks marked a significant turning point of US security policy and its relations with South Asia (Kraig and Henderson, 2001; Feinstein, Clad, Dunn and Albright, 2002; Schaffer, 2002; Mohan, 2002; Guihong, 2003; Wisner II, Platt and Bouton, 2003). India took the immediate and unprecedented step of offering to the US full cooperation, including the use of India's bases for counter-terrorism operations. In response the US waived sanctions and provided assistance to India. On 22 September 2001, President Bush issued a final determination lifting the sanctions that were imposed under the terms of the 1994 Nuclear Proliferation Prevention Act following India's nuclear tests in May 1998. President Bush and Prime Minister Vajpayee presented a vision for the rapid transformation of the relationship between the two countries at their first summit in November 2001. Since then, there has been substantial progress in the area of security cooperation. It is worth mentioning that in December 2001, the US-India Defence Policy Group met in New Delhi for the first time since India's 1998

nuclear tests and outlined a defence partnership agenda based on regular and high-level policy dialogue.

In the US National Security Strategy Report of 2002, the White House redefined India-US relations, stating that as "India's potential to become one of the great democratic powers of the twenty-first century," the United States would "invest time and resources [for] building strong bilateral relations with India," and "work hard to transform our relationship accordingly."¹ The years 2002–03 witnessed a series of high-level meetings and substantial cooperation between New Delhi and Washington. These included joint military exercises, visits and exchanges, collaboration in scientific and technical research, a wide variety of joint economic and social development projects, increased cooperation in law enforcement and strengthened cultural and people-to-people contacts. The transformation was accelerated in 2004 under the Next Steps in Strategic Partnership (NSSP), which was announced by both the countries on 12 January 2004. NSSP was seen as both a milestone in the bilateral relationship and a blueprint for its further progress. The two agreed to expand cooperation in three specific areas, known as the "trinity"—non-military nuclear activities, civilian space programmes and high-technology trade. Just four days before Indian Prime Minister Manmohan Singh and US President Bush met for the first time on 21 September 2004 on the sidelines of the UN General Assembly in New York to discuss issues of terrorism and non-proliferation of weapons of mass destruction, both the countries issued a joint statement announcing "major progress" in the NSSP initiative, including modifications of US export licensing policies that will "foster cooperation in commercial space programs and ... [civilian] nuclear facilities." And then US Under Secretary of Commerce Kenneth Juster and Assistant Secretary of State for South Asia Christina Rocca made a separate visit to New Delhi to further discuss NSSP issues with top Indian officials.

These busy diplomatic activities are underpinned by substantial economic and security cooperation which are discussed below.

Economic-Security Dual-Track Relations

The 1990s saw a steady growth of bilateral trade, particularly India's export to the US (see Table 1). The US is now the largest trading and investment partner with US\$ 5 billion of exports to India and US\$ 13 billion of imports from India in 2003. India's exports to US are expected to reach US\$ 15 billion in 2004. Meanwhile, India's net foreign direct investment (FDI) in 2003 reached US\$ 5.5 billion, one-third of which came from US companies.

¹ The White House, *The National Security Strategy of the United States of America*, September 2002

Table 1
US Trade with India (in US\$ millions)

<i>Year</i>	<i>Exports</i>	<i>Imports</i>	<i>Balance</i>
1990	2,480.00	3,196.80	-710.80
1991	1,999.30	3,192.50	-1,193.20
1992	1,917.10	3,779.80	-1,862.70
1993	2,778.10	4,553.70	-1,775.60
1994	2,294.00	5,309.50	-3,015.50
1995	3,295.80	5,726.20	-2,430.40
1996	3,328.30	6,169.50	-2,841.20
1997	3,607.60	7,322.40	-3,714.80
1998	3,564.40	8,237.20	-4,672.80
1999	3,687.80	9,070.80	-5,383.00
2000	3,662.80	10,686.50	-7,023.70

Source: US Census Bureau, Foreign Trade Division, Data Dissemination Branch (Washington DC, 2002).

India was one of the major recipients of US foreign assistance in the Cold War era despite their estranged relations (Eldridge, 1969; Gould and Ganguly, 1992). The assistance increased gradually along with their transforming ties. For a long time before 11 September 2001, India ranked first in South Asia and second among Asian countries that received US assistance (Lum, 2002). (The item-wise break-up of assistance in recent years is shown in Table 2). From 1947 through 2003, the United States provided more than US\$ 14 billion in economic loans and grants and US\$ 157 million in military assistance to India. US Agency for International Development (USAID) programmes in India with a budget of US\$ 89 million during the financial year 2004, concentrate on five areas: economic growth, health, disaster management, environment protection and education. Security-related assistance towards military training and non-proliferation exports control enhancement stood at US\$ 2 million during the financial year 2003. US and India have agreed to pursue Foreign Military Sales programmes, with Indian purchases in 2002 and 2003 amounting to US\$ 138 million and 63 million, respectively.

The US-India Defence Policy Group at its meeting in June 2004 in New Delhi discussed terrorism and weapons proliferation along with plans for further joint military exercises and possible weapons sales to India. A top US diplomat in India observed in August 2004, "Without doubt, military cooperation remains one of the most vibrant, visible, and proactive legs powering the transformation of US-India relations." Since September 2001, US-India security cooperation has flourished with numerous joint exercises and increased arms sales. The joint exercises have involved all military branches, including an advanced air combat exercise joined by the Russian-built Su-30MKI in June 2003, the joint exercise of special forces near the India-China border in September 2003, the "Cope India" joint air force exercises over central India in February 2004, the "Cooperative Cope Thunder" joint exercise of the air forces in Alaska in July 2004 and most recently the sixth round of joint naval exercise in October 2004 named "Malabar 2004" off India's west coast which included a US nuclear submarine.

Table 2
US Assistance to India, FY2001–FY2005 (in US\$ million)

Programme or Account	FY2001 Actual	FY2002 Actual	FY2003 Actual	FY2004 Estimate	FY2005 Request
CSH	24.6	41.7	47.4	48.3	43.4
DA	28.8	29.2	34.5	25.7	25.4
ESF	5.0	7.0	10.5	14.9	15.0
IMET	0.5	1.0	1.0	1.3	1.4
NADR-EXBS	0.9	1.0	1.0	0.7	0.7
Subtotal	59.8	79.8	94.4	90.9	85.9
P.L.480 Title II	78.3	93.7	44.8	20.2	44.8
Total	138.1	173.5	139.2	111.1	130.7

Source: USAID.

Abbreviations: CSH: Child Survival and Health, DA: Development Assistance, ESF: Economic Support Fund, IMET: International Military Education and Training; NADR-EXBS: Non-proliferation, Anti-Terrorism, Demining, and Related Export Control and Related Border Security Assistance

Note: P.L.480 Title II: Emergency and Private Assistance food aid (grants)

As the second largest arms importer in the world, India spends a huge amount for procuring military hardware and software from abroad notably from Russia. In recent years, however, India has shown greater interest in procuring advanced weapons from Israel and the US. India has already purchased the Green Pine Radar System and the Phalcon Early Warning Aircraft from Israel after US cleared the sale. India is negotiating with Israel for its Arrow Missile Defence System, which is a joint US-Israel effort. Now the US itself is likely to sell the Patriot Missile Defence System to India. It is said that the US offer to sell P-3C Orion naval reconnaissance aircraft is an upgraded one equipped with the latest avionics and equipment systems. The Patriot deal could become a major addition to India's defence arsenal, making it qualitatively different from either China or Pakistan and thereby providing a strategic depth to India vis-à-vis these two neighbours. Earlier, the US has also offered Perry class frigates and Sea Hawk helicopters, and India's special operations forces are showing interest in chemical and biological protection equipment of the US. The purchase has long-term political and strategic implications, as pointed out by some US and Indian strategists that could end up as another version of the US-Japan relationship in Asia.

Besides joint military exercises and arms transaction, the other field of security cooperation between the US and India relates to counter-terrorism that started even before 11 September. So far, six rounds of meetings of the US-India Joint Working Group on Counter-terrorism have been held both in New Delhi and Washington. According to *Patterns of Global Terrorism* released by US State Department on 29 August 2004, India suffered more "significant terrorist incidents" than many other countries in 2003. The report also for the first time listed two Indian "Naxalite" organizations, the People's War Group and the Maoist Communist Centre, as "other terrorist groups."

Common Values and Interests

As US Secretary of State Colin L. Powell pointed out, the US-India transformation "has its roots in our common values and interests as democratic societies committed to political freedom, tolerance, representative government and the fight against terrorism."² Similarly, former US Ambassador in India Robert Blackwill said earlier, "It is difficult to think easily of countries other than India and the United States that currently face to the same striking degree all three of these intense challenges simultaneously: advancing Asian stability based on democratic values; confronting daily the threat of international terror; and slowing the further proliferation of WMD" (Blackwill, 2002). The common values originate from the US and India being so-called strongest and largest democracies, respectively. As US Congressman Benjamin Gilman (R-NY) noted in 2001, "the relationship between America and India is based on the solid foundation of a shared commitment to democracy, individual rights, freedom of expression and free markets. India's democratic governing system is a beacon of hope for the region."³ These common values may have at least two political implications: one it is beneficial to have a stable and functioning democracy as a bond between New Delhi and Washington, just as democracy has become another common language beside English; two, according to democratic peace theory, India and the United States will never start a war against each other. At a minimum, this will help leaders of the two countries to establish basic political trust. In short, conducive political atmosphere and trust constitute the basis of the strategic partnership.

The common interests are said to include commercial freedom, counter-terrorism and Asian stability among others. A keen observer of Indo-US relations pointed out that India and the US "have vital interests in Asia, from the Persian Gulf to East Asia and throughout the Indian Ocean. These common interests relate to oil supplies, proliferation, ethnic disaffection, fundamentalism, terrorism, narcotics trafficking, freedom of the seas, safety of sea lanes, peaceful resolutions of territorial disputes, and a balance of power" (Bajpai, 2001). If the common values provide only the possibility, then common interests bring the feasibility of the strategic partnership.

The commonality of values and interests does not, however, rule out differences and disagreements. For instance, India's former External Affairs Minister, Jaswant Singh, criticized the United Progressive Alliance (UPA) government for "rushing into" NSSP with the US "when negotiations are still pending on about 100 sanctions (US imposed against India in the wake of Pokhran tests)." He asserted: "The NSSP is being touted by this government as an achievement. It has put the country in much greater difficulty rather than (providing) any enhancement

² US Embassy in India, "People, Progress and Partnership the Transformation of US-India Relations", September 2004. <http://newdelhi.usembassy.gov/ppp.html>

³ "Gilman Calls for Close Ties with India", Press Release, 6 April 2001.

of facilitation.”¹⁴ Differences remain between the US and India “including over the development of India’s nuclear and missile programs, and the pace of India’s economic reforms.”¹⁵ “There remain indications that the perceptions and expectations of top US and Indian military leaders are divergent on several key issues, including India’s role in the Persian Gulf and Central Asia, approaches to countering terrorism, and potential US role in resolving the India-Pakistan disputes” (Kronstadt, 2004). The following issues may shadow the evolving strategic partnership, if not managed with care.

First, the strong ties between Pakistan and the US remain a matter of great concern for India. The US has named Pakistan as its major non-NATO ally (MNNA) in South Asia, which will enable the US to sell more advanced weapons, including F-16s fighters to Pakistan. India questions if “Islamabad really need[s] stuff like anti-armour and anti-ship missiles to nab Osama” and argues that “Washington [is] pursuing a nudge-wink policy of appeasement towards Pakistan’s military establishment.”¹⁶ An Indian government official reportedly said that a US sale of F-16 war-planes to Pakistan would be opposed by New Delhi as “they could be used against India” or “could spark a weapons race in the region.” Second, while the US has come to show a greater degree of understanding about India’s nuclear weapons programme new factors appear to have been added to the non-proliferation issue. On 29 September 2004, the US State Department determined that Indian scientists C. Surender and R.S.R. Prasad were among those who violated the Iran Nonproliferation Act of 2000 and will face sanctions for the transfer of WMD-related equipment and/or technology to Iran. India, however, maintains that “no transfer of sensitive technology has taken place.” Finally, the US remains greatly concerned about the pace and scope of India’s economic reforms. A few US scholars along with some government officials argue that excessive regulatory and bureaucratic structures may hinder the full realization of India’s economic potential. While US Ambassador to India David Mulford said in Delhi in March 2004 that “the US is one of the world’s most open economies and India is one of the most closed,” the Washington DC-based Heritage Foundation’s 2004 *Index of Economic Freedom* rated India as being “mostly unfree.” US Under Secretary of State Larson complained recently that because of “the slow pace of economic reform in India, trade and investment flows between the US and India are far below where they should and can be.” Additionally, inadequate intellectual property rights protection has been a long-standing issue between India and the US. In May 2004, US Trade Representative (USTR) again inducted India in the Special 301 Priority Watch List for its “weak” protection and enforcement of intellectual property rights.

¹⁴ “Jaswant Nails Govt, Attacks America”, *The Times of India*, 16 November 2004.

¹⁵ The White House, *The National Security Strategy of the United States of America*, September 2002.

¹⁶ “Weapons of Peace: US Should Buy Back Arms to Prevent War”, *The Times of India*, 24 November 2004.

Implications for Sino-India and Sino-US Relations

The US-India strategic partnership, the growing defence cooperation between the two in particular, may complicate China's relations with the two countries to some extent and in different ways. The nature of such implications will largely depend on the direction of the US-India strategic partnership and how China perceives and responds to it. For this purpose it is helpful to analyze US and India as factors in China's relations with New Delhi and Washington respectively.

The US Factor in Sino-Indian Relations⁷

During the Cold War era, one witnessed many ups and downs in the Sino-Indian relations accompanied with US efforts to forge alliance with either side alternately to meet its objective of containing the Soviet Union.

After gaining independence from western colonial rule, both China and India adopted independent foreign policies. India recognized the People's Republic of China in 1949 and supported the latter's effort to claim its permanent seat in UN Security Council while the US support was not available for China on both the counts. China, on its part, appreciated India's leading role in the non-aligned movement (NAM) which ran counter to US policy of alliance and containment. Furthermore, the friendly relations between China and India peaked during the early years when the two jointly declared the Five Principles of Peaceful Co-existence in 1954 and expressed solidarity with the newly independent nations in various international gatherings such as the Bandung Conference of 1955. However, the clash of national interests and the geo-strategic rivalry between India and China finally led to the dispute over the Tibet issue in 1959 and the border conflict in 1962, which resulted in the end of the positive bilateral relationship of early and mid-1950s. For its part, the United States regarded China as its principal enemy in Asia; it did not perceive India as an adversary and instead, tolerated India's close ties with Washington's global competitor, the Soviet Union. In other words, "American policy toward India was never so hostile, nor the mutual trust between China and India sufficiently great, to permit India and China to forge a partnership against the United States" (Harding, 2004).

During the most difficult time between China and India in the 1960s, the United States stood by India to oppose its adversary, China. After the outbreak of the Sino-India border war in 1962, US President John F. Kennedy ordered to send an aircraft carrier into the Bay of Bengal to show American support for India, followed by large scale and unprecedented economic and military aid⁸ (Kux, 2000).

⁷ For a US perspective of Sino-Indian relations, see for example, Garver, 2001, Frankel and Harding, 2004. For an Indian perspective of Sino-India relations, see for instance, Deepak, 2005.

⁸ "[T]he United States has provided 157 million US dollars in military assistance to India since 1947, more than 90 per cent of it distributed from 1962-1966", in Kronstadt, 2004.

Nevertheless, the Sino-Indian rivalry did not drive India into the US-led anti-China camp, partly because of the reduction of Chinese threat with its unilateral withdrawal, the Washington-Islamabad alliance, and New Delhi's unwillingness to overreact to the Chinese threat. Thus, the United States did not see India as a necessary and reliable counterweight against China even during the peak of the Cold War.

The 1970s and early and mid-1980s saw a dramatic shift of the US position from pro-India to pro-China. In South Asia and Asia at large, the formation of US-China-Pakistan alignment vs. India-USSR alliance based on respective national interests and a broad international environment took a definite shape. While China and the US came together with the help of Pakistan to counter their common, major threat—Soviet Union—India drifted away from the US and moved into a close alignment with Moscow aimed at confronting Pakistan.

In general, during the Cold War era, there were many factors that prevented either country from forming alignments against the other, either an India-US alignment against China or a Sino-US alignment against India, not to speak of a Sino-Indian alignment against the United States. The United States constituted an extremely important (even if not as decisive as it was for Pakistan, as some may argue) external factor in the overall Sino-Indian relations.

After the end of the Cold War, the situation regarding the triangle changed due to the increasing importance of the United States (the only remaining super power) to the relationship between China (a rising power) and India (an emerging power). Generally speaking, while both Sino-Indian and US-Indian relations have significantly improved, Sino-US ties have, however, experienced fluctuations similar to Sino-Indian ties during the Cold War era because the US regarded a rising China rather than a declining Russia or an emerging India as the principal challenger and potential threat economically, politically and strategically to its hegemony. Fortunately, all prospective alignments of any two against the other and the efforts to achieve them proved to be temporary, ineffective, or even impossible. First, the idea of the China-India-Russia triangle to resist US hegemony in the early 1990s and their "preference for constructing a new world order" (Garver, 2002) was more idealistic than realistic. Second, as a demonstration of the Sino-US constructive strategic partnership, the two issued the joint statement to condemn Indian nuclear tests of 1998 and even came up with "a strategy for preventing a nuclear arms race in South Asia" (Shirk, 2004). Finally, the US did not buy the Indian argument (made through a letter from Prime Minister Vajpayee to President Clinton) that the 1998 nuclear tests were in response to the Chinese threat.

The events of 11 September substantially improved China's strategic relations with the United States as well as its position in the triangle. US perception of China changed from "a principal challenger" to an invaluable partner in addressing both long-term global challenges such as terrorism and proliferation of WMD and also critical regional issues like nuclear dilemma in the Korean Peninsula. Meanwhile, the United States and China agreed to tackle Pakistan due to their

more common interests in South Asia, which was a "major triangular gain for China" (Garver, 2002). Furthermore, China's positive response to 11 September events also contributed to reduce Indian concerns about China; from the Chinese angle, there was a shared interest with India about the menace of terrorism. Considering the dramatic development of the US-India strategic partnership described earlier, it is reasonable to say that the United States could play an active and constructive role in Sino-Indian relations if their interests were duly taken into account by the United States.

The India Factor in Sino-US Relations⁹

Compared with the considerable US role in Sino-Indian relations, the India factor played a less significant role in Sino-US relations during a greater part of the Cold War, partly because India was relatively weak in the triangle as its strategic resources were wasted by its rivalry with Pakistan. Even in the post-11 September period, India "finds it difficult to translate economic potential into political and strategic influence" (Cohen, 2001: x). Therefore, India is yet to emerge strong enough to significantly influence the Sino-US relations. Nevertheless, it sought to play its limited role both during and after the Cold War.

For example, in the early 1950s, "India attempted to serve as a mediator between Beijing and Washington during the early months of the Korean War, conveying Chinese warnings against an American invasion of the North" (Frankel and Harding, 2004: 324). But the Truman administration chose to ignore the message risking the first major military embarrassment owing to strong Chinese showing. Since then, the United States sought to isolate China in the international community and regard Taiwan as an "unsinkable aircraft carrier" to contain China till the early 1970s. In contrast, India adopted a one China policy and supported China's permanent membership in the UN Security Council. This was an instance of India trying to play a positive and constructive role in Sino-US relations. But during the 1998 nuclear tests, the case was just the reverse.

India cited a "China threat" to justify its decision to openly go nuclear. By underscoring the Chinese threat India probably sought to derive benefit from the rivalry between China and the US. This could also be interpreted as India's approach to placate Washington. Because the Bush administration had already characterized China as a strategic "challenger", "competitor" and "threat", followed subsequently by a setback to Sino-US relations after the American bombing of the Chinese embassy in Belgrade in 1999 and the collision between a US Navy surveillance plane and a Chinese fighter jet in 2001. This was an instance wherein India sought to use Sino-US rivalry to its advantage. But so far, "neither India nor the United States has been willing to create such overtly anti-Chinese alignment",

⁹ For a US perspective of Sino-US relations, see for example, Harding, 1992; Lampton, 2001

and "neither is so immediately threatened by the rise of Chinese power as to see the need for a strategic partnership to counter it" (Ibid: 337). Nevertheless, an Indian-US alignment against China remains a possibility and will be the preference of the two whenever either country has a conflict with China.

As mentioned above, the United States did not see India as an effective counterweight against China which tried to limit Indian influence in the subcontinent through Pakistan. India had no relevance to the greater triangle among China, US and Russia. It was China, not India, which was regarded by USSR as a major force to break through US encirclement in Asia in the 1950s and early 1960s. Again, it was China which was considered by US as a counterweight against USSR's expansion in the 1970s and early 1980s. The end of the Cold War and particularly after Pokhran II, however, saw an emerging India. Further, the evolving US-India strategic partnership could provide a more important role to India in Sino-US relations. Therefore, India can and may play a significant role in shaping future Sino-US relations in the sense that it can be used by the United States as a "card" for balancing China whenever needed.

Whether the US would be a positive or negative factor in Sino-Indian relations will depend on three factors: US policies towards the two, how they respond and the level of bilateral relations. Similarly, to what extent will India become a factor in Sino-US relations would depend on the possibility of India's economic potential being translated into political and strategic influence on the one hand, and the nature of Sino-US relations that often alternates between rivalry and engagement on the other hand. The more friendly the Sino-US relations would be, the less will be the scope for India to play an effective role and vice versa.

China's Perceptions and Responses

The transformation of US-India relations after the end of the Cold War and, post-11 September in particular, are mainly driven by the following factors: first, with the demise of the Soviet Union, the principal obstacle in the US-India relationship suddenly disappeared; second, India's economic reform and growth since the early 1990s made it an important trade and investment partner for the United States; third, the increasing influence of the Indian American community in American society drew the attention of US political elites; fourth, the increasing strategic importance of the Indian Ocean necessitated US engagement with India; fifth, India was seen as an emerging power with economic potential and a thriving democracy; sixth, US viewed India as a potential counterweight to balance a rising China in the future; and, finally, since both Russia and China have differences with the US about crucial strategic matters, improving relations with India could be the best way for the US to prevent a possible Sino-Russian-Indian triangle.

The most significant implication of the US-India strategic partnership for China is that now there is a greater possibility of the formation of a strategic triangle among Washington, Beijing and New Delhi (Garver, 2002; Malik, 2003; Harding,

2004; Frankel and Harding, 2004).¹⁰ The more India translates its economic potential into political and strategic influence, the greater becomes the possibility and significance of the triangle. A rising China-US-India triangle has far-reaching implications at many levels. In South Asia, the triangle will be an important factor in shaping regional stability and the future of Pakistan; in Asia-Pacific, the importance of the triangle is no less than another triangle among China, US and Japan; and in the broader context, it will become a leading force in shaping the future of the global economy, the fight against terrorism and WMD and world order.

Points of Convergence and Divergence for China

Generally speaking, there exist some common perceptions and similar positions with regard to the US between India and China. Globally, China and India as two largest developing economies have broadly similar positions in international trade negotiations like opposing the inclusion of labour and environmental standards in international trade negotiations which the US actively supports; China and India as the two largest developing countries share the same perceptions with regard to many issues such as the democratization of international relations, the respect for sovereign equality of international society, the establishment of a multipolar world order, which is not in line with US strategic goal; China and India as two ancient civilizations are strongly in favour of peaceful and political means to resolve international conflict, which is not in line with US preference for unilateralism and preemption, etc. Regionally, China and India as two major Asian powers basically share a common interest in establishing an Asian community and preventing any non-regional power (mainly the United States) from dominating East Asia and South Asia, respectively, and both the countries are also not comfortable about the US-Pakistan military alliance and presence around them. Moreover, China and India have shared views on human rights, which the United States frequently accuses them of violating. These points of convergence suggest that China and India have great potential for friendship, which is unfortunately not translated into close and substantial cooperation between them. However, these convergences are important enough to restrict India's efforts to push the US-India strategic partnership far ahead.

China and the United States, on the other hand, have also shared their common perceptions about India at one point or another. For example, on the non-proliferation issue, China and the US as two of five recognized nuclear powers, enjoy the membership of various international non-proliferation regimes which India is deprived of. With regard to Pakistan and South Asia at large, China and the US have a more favourable attitude towards Pakistan than India; in fact, India always considers Pakistan as part of the problem. Both China and the United States feel

¹⁰ Needless to say, American scholars have contributed far more on the study of China-US-India strategic triangle than their Indian or Chinese counterparts. For the US perspectives of the triangle, see for example, Rajamony. 2002.

that it is their responsibility to play a meaningful role in ensuring South Asian stability and in resolving the Kashmir issue, while India tries to exclude any non-regional powers from interfering in its internal affairs. Similarly, on the issue of the UN Security Council reform, while the P-5 broadly accept the necessity of enlarging the Council neither China nor the United States is willing to allow the veto power to newcomers including India. These points of convergence may not be sufficient enough for the formation of a China-US strategic partnership. Nevertheless, these are crucial factors which both the US and India will have to seriously consider when they want to promote their strategic partnership further directed against China.

The points of convergence which China enjoys separately with India and the United States will leave enough scope for it to prevent the United States and India from transforming their present strategic partnership into ultimately a strategic alliance against China.

Divergent perceptions and interests are apparent between China and India with regard to their respective ties with the United States. The facts of geo-politics and their simultaneous rise make both China and India natural competitors to be close to the US: from tangible trade and investment for their modernization to tacit co-operation and support for their increasing international aspirations. Given the fact that the United States sees a rising China as more dangerous than an emerging India, the two Asian giants enjoy different strategic values in US policy. In Harry Harding's phrase, the United States could "enjoy its Indian curry and its Peking duck in the same meal" (Frankel and Harding, 2004: 322, 349). In other words, the US may support either country against the other whenever necessary, and at a minimum, it could exploit their differences and divergences to forestall any possible joint anti-America efforts.

The main differences between China and the United States on India relate to New Delhi's role in the Asia-Pacific region. Indian Prime Minister Manmohan Singh said on 26 October 2004 that India as a "super regional power", India's strategic footprint "covers the region bounded by the Horn of Africa, West Asia, Central Asia, Southeast Asia and beyond, to the far reaches of the Indian Ocean", (Pandit, 2004). The way India is emerging from a South Asian to an Asian power with global aspirations clearly carries implications for China. On the one hand, China would welcome India to play a more important and constructive role in Asia-Pacific so as to partly balance the overwhelming influence and unilateralism of the United States and thereby greatly facilitating a multipolar Asia-Pacific in which China is one of the major powers; on the other hand, an emerging India does mean a strong competitor for China from South, West, Southeast and Central Asia to Indian and Pacific Oceans where their interests and influences will clash. For the United States, the challenge of an emerging India is very limited except on issues like non-proliferation. In most other issues concerning the Asian sub-regions mentioned above, the United States is more comfortable with India than with China. Of course, the differences between China and the United States on India are only marginal but have a potential to deepen if and when India emerges

in the future as a counterweight which both China and the United States could respectively try to win as an ally.

The divergences China has with India and the United States suggest that China should do its best to steer the US-India strategic partnership as well as the triangle in a direction which is favourable to its national interests.

China's Strategic Alternatives and Policy Options

US-India strategic partnership in South Asia and the Indian Ocean, and US-Japan military alliance in East Asia and west Pacific Ocean are two major concerns for China in the new big power games in the Asia-Pacific region. The growing US-India security ties provide a potential counterbalance to growing Chinese influence in the region. Based on the points of convergence as well as divergence mentioned above, China may review its relations with Washington and New Delhi simultaneously. The US on its part, may revisit its India policy on some issues.

Since China is more important than India for the United States with regard to global and Asia-Pacific economic development and many security issues, China should enlarge US economic interests in China and its economic influence in the United States. One experience that China may learn is from India—to strengthen the Chinese lobby in the US policy making circles. Such a policy would not only protect its own interests but also become a restraining factor in Washington's approach to India in the framework of the US-India strategic partnership. China should also deepen security interdependence between Beijing and Washington. While China and the United States continue their collaborations in the global fight against terrorism and proliferation of WMD, the focus of such an option should be to seek more cooperation in non-traditional and sub-regional security issues besides the North Korean nuclear question. Further, China needs to learn how to have a peaceful co-existence with the United States in Asia-Pacific and the world at large. While persuading the United States to recognize China's rise and accommodate its interests, it will be better for China to moderate its strong criticism of opposition against US hegemony so as to recognize America's leading role in the region. Such a nuanced policy would reduce the chances of the US-India strategic partnership becoming an alliance against China.

In the context of Sino-India relations, China has more historical, geographical and cultural linkages with India than the United States. Therefore, China should enhance economic linkages, both in the bilateral and sub-regional domains. As two rising powers and developing economies, there are many areas where both China and India have potential for cooperation as well as competition. India's software and service industry and China's hardware and light industry are some of these fields which have vast scope waiting for cooperation. Mutual suspicion and security concerns should not come in the way of sub-regional economic integration. The meaning of such economic independence for China is that since China has less military cooperation with either India or the United States its strong economic relations with both India and the United States who have very limited

economic exchanges up till now could be Beijing's advantage which will complement to some degree its security disadvantage in the triangle.

China should also improve security understanding at the bilateral level. Both China and India should pay more attention to and have better understanding of each other's concerns. From the Chinese side these include the Tibet issue, the Taiwan question and the Eastern Turkistan terrorism threat. From the Indian angle the Kashmir issue, China's military relations with Pakistan and some smaller South Asian countries, and India's Northeast are some of the concerns. The mutual understanding and trust in security matters will foil any US attempt to make use of the possible Sino-India rivalry to serve its strategic interests, vis-à-vis either China or India.

Further, China should translate common historical and cultural experiences into substantial economic, political and security cooperation. Economically, China and India can exchange their experiences as well as lessons in the process of economic development. China may learn from the advantage of India's organic growth model, including a healthy banking system, better institutional framework, stronger private enterprises, higher capital efficiency and more active NGOs. Politically, China could enhance coordination and dialogue on global trade, environment and human rights. Militarily, both sides must expose the possibility of regional cooperation besides confidence building measures (CBMs) along the border. In sum, cooperation at all levels could facilitate a more balanced triangle among China, India and the United States. China may not be a victim of the US-India strategic partnership if it is limited to being bilateral and beneficial to South Asian stability, but it needs to be cautious about the two moving towards a strategic alliance aimed at a third country which is most likely to be China.

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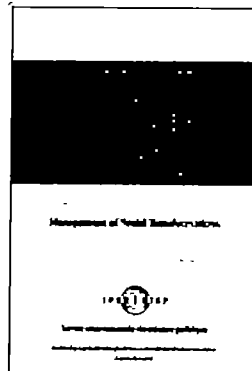
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Prospects for Sino-Indian Trans-border Economic Linkages

Nimmi Kurian

The political thrust given to integrating southwestern China with the extended regional economy marks the latest shift in the country's regional development policy. China's developmental priorities have swung from a focus on inland development during the Mao years to Deng's coast-led strategy and most recently back again to the inland provinces under the Western development programme. Noteworthy in this context are the imperatives driving China's sub-regional initiatives in the region, particularly the Kunming Initiative, which seeks to strengthen regional economic cooperation between the contiguous regions of India's Northeast, China's Southwest, Myanmar and Bangladesh. There is clearly a strong case for fully exploring potential for trans-border linkages in trade, tourism and transport within this quadrant. Further, China's southern thrust coincides with India's own domestic imperative of strengthening the external orientation of the Northeast. These developments present opportunities as also challenges to India while it is willing to engage China bilaterally but not sub-regionally.

Over the decades since 1949, China's developmental priorities have undergone a change from a focus on inland development during the Mao years to Deng's coast-led strategy and most recently back again to the inland provinces under the Western Development Programme. The political thrust given to integrating southwestern China with the extended regional economy marks the latest shift in the country's regional development policy. Broadly, the post-Mao policy changes in regional development have signalled an important ideological shift from the goal of regional self-sufficiency to one that stresses regional comparative advantage. Interestingly, the Maoist pursuit of self-sufficiency had less to do with equity concerns as commonly understood and more to do with safeguarding national assets, as the sanxian policy (Third Front) clearly demonstrated (Cannon and Jenkins, 1990: 37–38). The recent shift in the development debate to one that prioritized efficiency over self-sufficiency was facilitated by favourable developments in the international environment, particularly the normalization of relations

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with the US. The policy thrust imparted to regional comparative advantage thus set the stage for China's highly successful economic re-engagement with the regional and global economy.

Sub-regional Focus in China's Policy

China's initiatives to enhance economic interactions with its extended neighbourhood became catalysts for rapid economic growth and development across the region. What was distinctive was the graduated manner in which China reengaged itself with the regional economy. The setting up of the Special Economic Zones (SEZs) perhaps best exemplified the localized nature of its external engagement wherein only sub-regions or parts of China were to strive for external economic integration. The political reason behind the decision to localize and restrict economic activity to spatially demarcated zones was to be seen in the necessity of limiting any negative externalities should the experiment fail. Thus, it was no coincidence that the SEZs of Zhuhai, Shantou and Shenzhen were located in Guangdong province while Xiamen was in the Fujian province, which together came to be known as the Southern China Growth Triangle. Sub-regional economic zones or growth triangles came to be so known since geographically proximate sub-regions within two or more countries became important sites of transnational economic exchange (Thant, Tang and Kakazu, 1994). It was only after the success of the Southern China triangle that similar sub-regional economic zones were extended to the Pearl River Delta, Shanghai and other zones. In the same vein, many of the preferential policies such as tax concessions, land use rights and measures granting substantial financial autonomy to provinces were also introduced in these zones for the first time by way of experiment. For instance land use rights introduced in the Shenzhen SEZ in 1987 paved the way for the implementation of land use reforms throughout the country.

Another characteristic of China's open door policies has been the informal processes which drive regional economic integration. Asian regionalism, as Peter Katzenstein observes has been characterized on the one hand by dynamic market mechanisms and weak formal institutional structures on the other (1996). The Southern China Growth Triangle is a case in point where there have been no formal inter-state agreements between the member economies. The "Chinese Commonwealth" of entrepreneurial relationships, as Kao notes, operates as an "open architecture" with "access to local resources like information, business connections, raw materials, low labour costs, and different business practices in a variety of environments" (Kao, 1993: 24). Its success owes itself in no small measure to the high degree of flexibility of its informal arrangements that created the space for economic cooperation between divergent economic and political systems. Asia's informal or soft regionalism marks a point of departure from the elaborate formalized institutional arrangements that characterize economic blocs like the European Union. These trade and investment patterns as Michael Borrus notes "lie 'below' the aggregate regional picture but 'above' the interactions between

states" (Katzenstein, 1996: 5). This informal nature of economic integration adds new insights to mainstream theories of economic integration and calls for a more nuanced definition of regionalism. Hurrell prefers to call these new patterns that constitute soft regionalism as "regionalisation", which he defines as "the growth of societal integration within a region and the often undirected processes of social and economic interaction" (1995: 334)

The Western Sub-Region

China's re-engagement with the regional economy and the pursuit of comparative advantage has not been restricted to the coastal region alone. The idea of promoting sub-regional cooperation forms an integral part of China's overall policy of developing its vast western region. The western region is home to nearly 300 million people spread across the six provinces of Shaanxi, Gansu, Qinghai, Sichuan, Yunnan and Guizhou; the three autonomous regions of Ningxia, Xinjiang and Tibet and the Chongqing Municipality. It is also home to 80 per cent of China's ethnic minorities. Four mega infrastructure projects contribute the core of the Western Development Programme that seeks to build multiple linkages between the eastern and the western parts of the country. These are the south to north water diversion plan; a west to east natural gas transfer project; a west to east power transfer project and the Tibet-Qinghai Railway line. Physical integration of the region to the rest of the country is considered vital for the economic integration of the country, necessitated in part also by the fact that the fast pace of development of the coastal areas generates huge demands for all sorts of raw materials which the western region could meet. The comparative advantages of the western region are considerable given that it holds nearly 85 per cent of the country's most valuable mineral reserves, including natural gas, petroleum and coal. The growing regional disparities have also compelled the Chinese leadership to focus on the development of the largely inaccessible and backward region that covers about 56 per cent of China's geographic area. That the problem of uneven regional development has been a cause of growing concern is evident from the writings of Chinese scholars on the subject. Stark differences in regional development are likened "to an eagle spreading only one wing for flight" (Zhong, 2000: 11). The locational disadvantage of the landlocked western provinces accounts for high costs in terms of time and money. A national conference of the heads of the Nationalities Affairs Commissions in 1989 underlined the importance of developing the minority areas. It recommended that the minority areas "open to other parts of China and the world with the introduction of an opening programme that looks in two directions simultaneously: south and east to the coastal areas and developed countries; west and north to neighbouring countries across the Chinese border" (Lu, 1989: 4). Thus, emphasis was laid on developing a strategy that optimized the "petty advantage" of border trade due to geographic proximity. An open door policy for the western region was "aimed at converting the minority regions from remote places far from domestic markets into frontier areas adjacent

to an international market" (Lu, 1989: 4). Article 42 of China's Foreign Trade Law passed in 1994 enjoins upon the state to "adopt flexible measures and provide favourable treatment and convenience to the trade between its border towns and the border towns of bordering countries...." (ADB Report, 2003: 298). In recent years, inland border provinces have been actively encouraged to seek economic cooperation with neighbouring countries across land frontiers.

China's New Security Concept, structured around the values of accommodation and cooperative security, reflects these changed national priorities. The policy of diplomatic accommodation is very much in keeping with the strategic requirements of seeking peace "as an entrepreneurial input for development". For China, such a policy of diplomatic accommodation has "its greatest effects on bordering provinces, since they might change from being on the military's front line to being first in line for trade..." (Womack and Guangzhi, 1994: 160). The conceptual shift serves another important goal of Chinese foreign policy particularly in the region, namely to project China as a responsible and mature power. Cooperation and pragmatism have thus moved in tandem since the success of any sub-regional initiative depends on corresponding complementary moves across borders especially in building multi-model connectivity by road, rail, air and water.

Trans-border Linkages

China's goal of developing its southwestern region coincides with India's own domestic imperative of rapid development of its Northeast. Along with Sikkim, the Northeastern region shares 99.5 per cent of its 5,000 km long international border with China, Bhutan, Myanmar, Bangladesh and Nepal with only 0.5 per cent connected to the mainland. Given this compelling geographic location, it is not surprising that the Northeast has always looked outwards with the ethnic composition of its peoples reflecting centuries-old process of co-mingling and migrations. The two sub-regions of India and China share similar demographic profiles with a strong ethnic affinity. The Northeast has an estimated 209 scheduled tribes, of which Arunachal Pradesh alone has a lion's share of 101. Similarly China has 56 officially recognized ethnic minority groups with Yunnan the province of China closest to India across Myanmar alone having 52 of these groups. China's thrust on the development of the southern region carries far-reaching implications for India particularly because it simply cannot ignore China's growing profile in the region. It thus becomes imperative to examine China's proposals from the point of view of what opportunities these hold for the Northeast and whether it could take advantage of these.

China has been promoting the Kunming Initiative with great interest. This initiative seeks to strengthen regional economic cooperation and cultural exchange between the contiguous regions of Eastern/Northeastern India, China's Southwest, Myanmar and Bangladesh. It has been named after Kunming where China had convened a Track II conference in 1999 to launch the initiative. China has been underscoring the huge potentials of trans-border linkages in trade, tourism and

transport within this region. Such a sub-regional zone would be, according to Che Zhimin, "at the centre of three markets of China, southeast Asia and south Asia as well as the bridge and link for mutual radiation, permeation and exchange of the three markets. The zone can closely connect the two major markets of China and India and even the markets in the whole Asia and can quicken the economic integration of Asia so as to promote the speedy economic development of Asia and the world," (Che, 1998: 2). To overcome the locational disadvantage of its southwestern provinces, China has been actively seeking multiple access routes by land and sea to South Asia and the Bay of Bengal. Chen Qian argues that "the Sichuan-Yunnan-Burma-India overland communication route provided the shortest link between Southwest China, Europe and Africa" and that a railway connection between Southwest China and Myanmar could shorten the passage between China and the West by as much as 4,500 km (Chen, 1981: 148). Another Chinese scholar calls for the Yunnan-Myanmar road to be extended to India "through two possible ways: the first is to connect Yunnan with northeast India through Myanmar with Ruili and Heinitang of Tengcong being respective junction; the second is from Ruili to Bhamo and then to Yangon by Irrawaddy, extending from Yangon to the sea routes of major cities of India and Bangladesh," (He, 2003: 3).

The recent talk of reopening borders appears misleading, for it conveys the impression that one is talking of reopening a dormant border. India and China opened their first border trade route way back in 1991 between Dharachula in Uttaranchal and Pulan in Tibet through the Lipulekh Pass. A second border trade post was opened in 1993 between Namgyal in Himachal Pradesh and Juiba in Tibet. In 2003, both countries decided to reopen trade across the Nathu La Pass in eastern Sikkim. Chinese border areas constitute dynamic areas of growth. Border trade has become the driving force of Yunnan's economy and the total volume of its border trade crossed \$ 2.5 billion in 2004. Yunnan is developing itself to become a major trade and transportation hub in the region and plans to open fourteen air and rail border ports between 2006 and 2010. Trade between India and the Yunnan province has been steadily growing with India becoming Yunnan's seventh biggest trading partner in 2003. As per Kunming Customs statistics, the two-way trade in 2004 reached \$ 110 million for the first time (China, Ministry of Commerce 2004). Because of the huge demand for iron ore Yunnan imports half a million tons of iron ore from India. Further, an agreement signed between two chambers of commerce from India and Yunnan in February 2005 aims to strengthen air and road connectivity in the region.

The thriving of what is euphemistically referred to as informal trade attests to the fact that the border continues to be a zone of brisk trade and commerce with the crucial difference that much of it bypasses the official channel. In the Northeast particularly, the existence of illegal cross-border trade shows that efforts to maintain an artificial distinction between the domestic and external have failed. Sealing of borders has not deterred flows of all kinds which is an indication of the considerable potential that exists for cross-border commerce. Studies reveal that informal trade

with Myanmar through the border towns of Moreh in Manipur, Champai in Mizoram and Lungwa in Nagaland is estimated at Rs 2,000 crores, Rs 500 crores and Rs. 100 crores, respectively (IIFT, 1995). Goods from Myanmar, China and Thailand find their way to India, and Indian commercial presence is visible across the borders. A whole range of goods cross through these borders, which do not get reflected in official trade figures. Porous borders that lend themselves to encroachment also confound the efforts of security forces entrusted with the task of curbing illegal trade.

The opening of Nathu La has led to demands from within the region to open additional routes for border trade. There is a growing demand to follow this up by connecting Kalimpong in West Bengal to Tibet via another alternate all-weather pass, the Jelep La. This route, at the India-Tibet-Bhutan tri-junction, was an ancient trade route used by Indian and Tibetan traders and had seen brisk trade in silk, spices, musk, wool and textiles. Three private banks had also conducted operations in Tibet, a testimony to robust trade ties (Chaudhuri, 2003). The route also has better connectivity with a motorable road connecting Kalimpong to Lhasa, facilitating easy movement of goods and people besides saving a lot of time and money. There is also a growing demand for the opening of the ancient Ladakh-Tibet border at Demchok. The reopening of the route could promote border trade and Leh is keen on converting the existing informal trade into formal trade. Ladakh is also pressing for the revival of this route as it would greatly increase the flow of pilgrims from India en route to the Kailash Mansarovar. The route is not only better connected but much shorter compared to the more arduous and much longer trek through the Lipu Lekh pass in Himachal Pradesh. Another longstanding demand has been the call for reopening the Stilwell Road that links Assam to the Old Burma Road and onwards to Kunming in China. In what could perhaps be seen as a signal of its willingness to deal sub-regionally with China, India has reversed its earlier policy and agreed to reopen the land route to China (Sen, 2005). The continuing political stalemate in Manipur, considered critical to providing land connectivity with the extended neighbourhood, could be one of the factors responsible for India's new approach. While the Chinese have upgraded the stretch from Kunming to Ruili on to Bhamo, and Myanmar has restored the Bhamo-Myitkyina section, the stretch leading up to the Indo-Myanmar border awaits upgradation.

Connectivity and Tourism

Intra-connectivity within the Northeast will be crucial to external connectivity. Far more forbidding than the landlocked status of the Northeast is the fact that each of these states suffers the double disadvantage of being "unable to connect with each other physically in terms of poor transport links, and more seriously unable to make connections intellectually and emotionally with their closest neighbours, or even with and among their own people" (Prabhakara, 2004: 4,606). Further, the lack of institutional connectivity has also worked to keep levels of

border trade considerably below their potential. Complicated procedural requirements and paperwork have resulted in higher transaction costs and diverted trade to informal private channels causing huge loss to the exchequer. Multiple handling and transshipment of goods are common resulting in duplication of procedures. Single window clearance, harmonization of tariff and customs procedures are necessary and need to be complemented by facilities such as banking, warehouses and power supply. These will provide enabling conditions for legitimate economic activity and discourage informal trade. This will also call for close cooperation between not only the respective central governments but also the relevant provincial governments in the region. Besides these, there are several international land transportation facilitation conventions, which form part of Resolution 4811 of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), such as the Convention on Road Traffic, Convention on Road Signs and Signals; Customs Conventions on the International Transport of Goods and the Temporary Import of Commercial Road Vehicles. While India and China have acceded to one, Bangladesh and Myanmar have yet to accede to any.

The potential for connecting Northeast India and Southwest China to the well-established tourism network of Southeast Asia is enormous. The Southeastern and East Asian countries have all been aggressively marketing themselves as tourist destinations at a time when across the region tourism has emerged as a major source of revenue. India, however, is yet to partake in this venture in any meaningful way. As per World Tourism Organization figures, total global tourist arrivals in 2003 were 691 million, which generated US\$ 463 billion in revenue receipts. India's share of tourists is less than 0.4 per cent and that of the Northeast 0.5 per cent. The entire region could be developed as a tourist destination and skilful marketing can project its natural beauty and immensely rich cultural and ethnic diversity (Bhuthalingam, 2003). There is much scope for the region to institutionalize cross-border cooperation in marketing, transit, research, training and a variety of imaginatively conceived packages for tourists. Such an integrated approach can be extended to cover the entire region including Bhutan, Nepal and Sri Lanka. The Greater Mekong Sub-Region represents a successful example of a transnational tourism project.

Natural resources alone, however, cannot guarantee tourist arrivals. One needs to create necessary infrastructure and communication networks that allow for easy access to and from major destinations as well as a wide range of packages to cater to different categories of travellers. Airports could be declared as charter destinations by making use of the several airstrips in the Northeast. Free and easy movement of tourists will also call for a review of restrictive regulatory regimes such as the Inner Line Permit for domestic tourists and Restricted Area Permits for foreign tourists. A review of the necessity of these acts of the colonial era has been long overdue.

Since building multi-modal continental connectivity would be the key for the success of any sub-regional initiative, both India and China are actively involved in creating a sub-regional communication network. With a massive programme

of road and rail construction along its frontiers, China is in the process of acquiring a major physical, economic and strategic presence all along its borders with India, Myanmar, Bhutan and Nepal. Towards this end, China is making huge investments to create a vast network of rail and road corridors. During the Tenth Five Year Plan (2001–2005) China allotted \$ 42.3 billion for railway construction (*China Daily*, 2002). It is simultaneously working on two fronts, namely to ensure internal connectivity of its border cities as well as seeking cross-border transport linkages with neighbouring countries. For instance, in Nepal China is building the Syabrubesi-Rasuwa-Gadhi highway which will provide a second road link between Tibet and Nepal besides the Kodari highway. The 113 km-long Kodari highway built in the 1960s with Chinese assistance links Kathmandu with the border township of Zhangmo in Tibet. The second highway is expected to be completed by 2008 with a proposal to link it to the 1,118 km long Shanghai-Tibet Railway under construction. China is also seeking a rail connection to Nepal with a possible extension of the Golmud-Lhasa railway line to Kathmandu. It is also seeking access for its landlocked provinces to the seas with multi-modal transport linkages through Myanmar. Further, China is keen on developing the Irrawaddy Corridor which seeks to link Kunming with Ruili (on the Sino-Myanmar border) on to Bhamo to Yangon which is 1,300 km downstream. There is also a Chinese proposal to build a large international container barge terminal at Sinkham, 30 km from Bhamo (Verghese, 2001: 191). Sections of these transport linkages are already being put in place such as the road from Kunming to Ruili on to Bhamo. There are also plans to construct a 2,000 km long highway linking Kunming to Mandalay to Kyaukphegyu in the western coast of Myanmar.

The pace and scope of China's infrastructure activity along its borders and especially its drive to build trans-border infrastructure presents India with difficult choices. As China expands its road and rail corridors in and around the borders, India will have to contend with an increasing Chinese presence in its neighbourhood. The transport networks being put in place in China's border areas will be in striking contrast to the dilapidated and often non-existent infrastructure on India's frontiers. India is, however, seeking to close the "infrastructure gap" with China by developing its own transport corridors in the sub-region. In January 2005, India and Bhutan signed a Memorandum of Understanding to link Bhutan's border towns with rail heads in Assam and West Bengal. While Hasimara and Barahar in West Bengal are proposed to be connected to Phuentshong and Samtse across the border, Kokrajhar, Pathasa and Rangia in Assam are expected to be linked to Gelephu, Nanglam and Sandrup Jongkhar, respectively (Samanta, 2005).

India is also pursuing an East to West Corridor through Myanmar to integrate the Northeast with the economies of Southeast Asia. As India steps up the pace of its economic integration with the region it is also according a high priority to providing land connectivity with the region (Kurian, 2005). The Indian Border Roads Organization built the 165 km-long Tamu-Kalemyo highway in Myanmar that connects Tamu in Manipur in India to Kalemyo in Myanmar. India, Myanmar and Thailand have also commenced work on the Trilateral Highway

project that will link Moreh through Pagan in Myanmar to Maesot in Thailand. The trilateral agreement also includes the highway from Kanchanaburi on the Thai border with the deep-sea port of Tavoy in Myanmar, which is expected to substantially reduce shipping distances between India and Thailand. However, the political situation in Manipur will largely determine the success or failure of these trans-border transport corridors. India is also assisting in the building of a deep-water port in Kyaukphyu apart from being involved in the building of the Tamanthi 1,200 MW hydropower project on the Chindwin River.

These projects to ensure better connectivity would also accrue security benefits in terms of better border management to cope with common challenges posed by drug trafficking, AIDS and increasing levels of crime and violence. India's geographical proximity to one of the largest narcotics-producing and exporting regions of the world, has directly affected its security, particularly in the Northeast. India thus becomes not only a convenient transit route but also a potential market for these drugs. An added benefit will be greater coordination with neighbouring states in dealing with insurgency camps across borders. The recent military operations that the Royal Bhutan Army launched against the armed cadres of the United Liberation Front of Assam (ULFA), the National Democratic Front of Bodoland (NDFB) as well as the Kamtapur Liberation Organisation (KLO) are examples of such coordination. In November 2004, in another instance of diplomatic breakthrough for India, the Myanmar forces cracked down on Northeast insurgent camps based in its territory. Yangon has also responded to India's sensitivities on this issue by bolstering its military deployment on its border with India with an additional 3,000 troops to destroy insurgent camps (Samanta, 2004).

Harnessing Hydroelectric Power

India needs to engage and negotiate with China on a range of public goods. Water management issues affecting the extended neighbourhood as well as those relating to management of the ecosystem and biodiversity also need to be urgently placed on the agenda of India-China talks. The recent crisis when an artificial lake in Tibet was on the verge of flooding raised a number of questions on how developments in Tibet affect a large section of humanity living downstream since it constitutes the headwaters of many of Asia's mighty rivers including the Brahmaputra, Mekong and the Yangtze (Kurian, 2004). Many of these rivers flow into some of the most populous regions of South and Southeast Asia. The manner in which these waters are used upstream will thus decide both the quality and quantity of the flows that are received below. Adding to these concerns has been the fact that China's record on negotiations over cross-border rivers and water issues has not been very encouraging. China's plans to build a series of dams along the upper reaches of the Mekong in Yunnan such as Manwan, Dachaoshan and the huge Xiaowan dam as well as the 13-dam cascade hydropower scheme planned for the Nu River have been received with apprehension in lower riparian countries. This is especially so since China has refused to be a member of the Mekong River

Commission formed to discuss issues relating to the use of the waters. Similarly, China's proposal to re-route waters of the Irtysh River to develop oil fields in the Tarim Basin in Xinjiang has caused great concerns in Kazakhstan, more so since the river is its principal source of water (Pannier and Magauin, 1999). Differences still persist despite regular bilateral consultations on the issue with no change in the planned development projects.

The Tibetan "water bank" is in every sense Asia's water bank and the environmental sustainability of Tibet is closely linked to the environmental sustainability of much of Asia. As the present crisis has shown, accurate and timely information is vital for successful disaster management. This calls for evolving a system of regular exchange of data and coordination between respective national agencies in India and China as well as within the region. This fact was brought home in a tragic manner during the flash floods caused from a landslide in Tibet in 2000 that ravaged the Northeast and Himachal Pradesh. The lack of an information sharing agreement between the two countries then resulted in loss of life, dislocation and extensive damage to property. Both the countries have since signed an MOU on the sharing of hydrological data on the Brahmaputra's flows, which will be vital for timely forecasting and management of floods in the Northeast. An MOU on sharing hydrological data on the Sutlej was also signed between the two countries in March 2005 which was largely prompted by the crisis related to the artificial lake in Tibet. Such crises underscore the need for early warning systems and perfect coordination mechanisms including visits to sites as well as putting up permanent monitoring stations to enable quick transmission of information. It is important that these mechanisms are institutionalized so that such crises are not treated in an episodic manner.

A regional cooperative framework can also harness the huge potential of hydroelectric power. This holds immediate relevance to the Northeast and its extended region, which is endowed with abundant water resources and is appropriately called the "kingdom of water resources" with big rivers such as the Brahmaputra, Ganges, Irrawaddy, the Jinsha and the Mekong. As an environmentally friendly, renewable source of energy, this huge potential could be effectively utilized to meet demands both within the power-deficient Northeast as well as in the rest of India. With lower costs of generation, operation and maintenance, and higher rates of efficiency, hydroelectric power has clearly been an under-utilized source of energy for too long. India's hydro potential is assessed to be about 84,000 MW, of which only 15 per cent has been harnessed with the Northeastern region's hydroelectric potential being estimated at 35,000 MW at 60 per cent load factor. Storage-based hydel projects also bring attendant benefits such as flood control, irrigation, food security, drinking water availability and navigation. Inter-country grid connections and a regional energy exchange could benefit the entire region.

Conservation of the ecological balance also presents common challenges and opportunities that the entire region needs to collectively address (Kurian, 2002). The region is endowed with an immense wealth of biodiversity, which emanates from and thrives upon traditional ecological knowledge and has economic, social,

cultural and ethical dimensions. This is also accompanied by the shift in the ecological paradigm with conservation of nature and culture seen as complementary. Conservation strategies will also need to address the problem of biodiversity depletion, as trends towards homogenization of agricultural practices and culture increase, traditional systems that nurture crop biodiversity will get edged out, reducing the "buffering capacity" of the ecosystem. An erosion of this biodiversity would lead to an erosion of the very genetic base upon which constant improvements are made for long-term sustainability.

Conclusion

China's southern thrust presents India with opportunities as well as challenges. If India boldly seizes the initiative and seeks continental connections, the Northeast too stands to gain many of the same advantages that have accrued to China's bordering provinces. This will not be easy by any means as India comes to terms with China's rising economic, strategic and physical presence in its neighbourhood. There will be concerns that China's transport corridors in the region are opening for it multiple access routes to the east and the west, boosting its strategic manoeuvrability considerably in the process. India, on its part, will have reservations to support Chinese initiatives to foster multi-dimensional trans-border linkages. The delay in resolution of the border dispute might only complicate the matter. India will thus be placed in a situation where it will be willing to engage China bilaterally but clearly not comfortable with engaging it sub-regionally. This will also be reflected in India's moves to intensify external linkages with Southeast Asia and its reluctance to open up the Northeast to China. Such a policy may have its own rationale, but would prove untenable in the long run.

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Science and Technology Cooperation between India and China

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While India and China have been cooperating in a number of science and technology (S&T) fields such as information technology, biotechnology, agricultural machinery, space technology and energy related technologies, there is enormous scope for further cooperation. Private initiatives from the two countries are making S&T cooperation much more plausible. MNCs from India and China are the major players in this evolving S&T cooperation while the governments and university systems have yet to catch up. A few problems that persist need immediate attention. To begin with the two countries do not have adequate information about each other's S&T system. Moreover, the border dispute between the two as well as apprehensions about a negative fall out of each other's peaceful rise need to be addressed.

India and China, the two science and technology (S&T) powers with their comparative advantages in certain fields and growing capabilities are emerging as major players in the evolving information societies and knowledge economies. Avenues for cooperation as well as competition between them to boost their share in international trade in technological goods and services are opening up. Given this scenario it is pertinent to look at their actual as well as potential technological capabilities and the scope for future cooperation. This article situates the discussion on S&T cooperation between India and China within the larger context of globalization of S&T along with their approaches to the issue. The article also delineates S&T cooperation between India and China since 1949 with a major focus on the post-1988 period in the section that follows. This section also attempts to highlight Indian and Chinese S&T capabilities in selected fields, followed by a section dealing with prospects and problems in India-China S&T cooperation. The last section offers some conclusions.

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Globalization of Science and Technology: The Context

The complex nature and evolution of S&T (Drori and Meyer, 2003: 1; Pollack, 2003) compel us to continually review it from time to time. What makes this exercise more imperative is the fact that developing countries such as India and China are now entering into the arena of globalization of S&T as active participants and thus making it much more complex and multi-faceted. Like globalization, which has been with us since time immemorial, globalization of S&T¹ has been part of our historical legacies.² But a rapid globalization of S&T had begun to take place only in the last two decades of the twentieth century. This has been shaped and hastened by two sets of factors: the first involves three processes and the second includes four actors. The three processes are generation, collaboration and diffusion of technology. The four actors who facilitate the process of globalization of science and technology in the international context are governments, universities and research institutes, international non-governmental organizations (INGOs) along with non-governmental organizations (NGOs) at the national level and Multinational Corporations (MNCs) (Lall, 2002: 78–107). Apart from these two sets of processes and actors, globalization of research and development (R&D) is making globalization of science and technology truly global as many scholars have found (Carayannis and Laget, 2004: 17–22; Florida, 1997: 1,899–1,919; Pearce and Singh, 1992; Reddy, 1997: 1,821–37; Serapio and Dalton, 1999: 303–16). This article moves away from the purely economic or technological framework lucidly articulated by many writers (Archibugi and Michie, 1995, other useful studies in this genre are Archibugi and Michie, 1997; Archibugi and Pietrobelli, 2003; Kaplinsky and Fitter, 2004; Rycroft, 2002) and looks at the globalization of technology from a political-economy perspective besides situating it in the context of multilateral as well as bilateral relations. The emergence of some developing countries as technology powerhouses through their active participation in these three processes has made globalization of technology all the more diverse. The rest of this section looks at these three processes and the actors in detail.

Generation of technology had, until recently, been the forte of the advanced countries like the US, Japan, Germany, France and UK. But now it has begun to expand with the recent growth of technological potential among some of the Newly Industrializing Countries (NICs) and a few developing countries including India and China. The share of the technological breakthroughs in these countries has increased. For instance, the development of software technologies in India and

¹ In this study globalization of science and technology is defined as a process wherein science and technology development is carried out at the global level with participation of governments, universities, research institutes, scientists and MNCs from several countries

² Consider the movement of some of the significant scientific discoveries such as zero from India and printing, paper and compass from China to other parts of the world.

hardware technologies in China is a strong indicator of this phenomenon.³ Since the mid-1990s these countries have been slowly and steadily moving from a state of dependence to independence by enhancing their technological potentialities (Ernst, et al., 1998; Hobday, 1995; Rodrigo, 2001). The second process of technological collaboration between the developed and developing countries has also witnessed a great change in the recent past due to the enormous increase in the number of technologies developed in both. Consider the following examples where developing countries like India and China have collaborated on various aspects of science and technology. In 1999, the Indian Oil Company (IOC) signed an agreement with the US oil company Premier and is negotiating with Malaysian Petronas to jointly bid for oil blocks under the New Exploration Licensing Policy (SWB, 20 January 1999). In 2001, for the first time, China made its entry into major international scientific research programmes such as Alpha International Space Station and large-sized hadron collider building as one of the priorities of its international scientific cooperation drive (SWB, 3 January 2001). In the same year four countries—two from the developed world (France and Russia) and two from the developing world (India and China) bid to manufacture satellite for the Iranian government's satellite programme (SWB, 3 January 2001). India's Hindustan Aeronautics Limited (HAL) initiated an industrial contract with the French aviation company Avions de Transport Regional (ATR) for manufacturing turboprop planes in 2001 (SWB, 10 January 2001). China's Great Wall Industries Corporation and Astrim of Europe signed an agreement on 23 March 2001 on the commercial launching of an Intersat satellite manufactured by the European company (SWB, 28 March 2001). Towards the end of the 1990s, IBM set up a US\$ 33 million joint venture with Tata Group of India to manufacture high-end personal computers (Bischoff, 2000: 116). The most recent example of collaboration is the development of Time Division, Synchronous Code Division Multiple Access (TD-SCDMA) commercial mobile phone technology by Datong Mobile, Samsung and Philips in 2005 (*People's Daily*, 8 February 2005). Another aspect which is responsible for the expansion of technological collaboration relates to the cost factor; big research projects have become too expensive for a single country to carry out. Countries like the US and several others from the European Union are collaborating on projects such as Galileo to share the costs. The third process, diffusion of technology, is further determined by a growing demand for scientific and technological products in developing countries which have of late been seeking to acquire new technologies from the developed as well as their fellow developing countries. The way many countries are approaching India and

³ Indian National Scientific and Documentation Centre in Delhi documented about 100 scientific achievements made by Indians between August 1995 and July 1999, see *Technology Flash* at <http://mnurite.tnsc.ac.in/tnaia/flash/>. More or less the same phenomenon, if not better, is observed in the case of China.

China for the supply of information and communication technologies testifies this. Diffusion of technology has the potential of being improved upon by the countries that import it. This is remarkably demonstrated first by Japan and later by South Korea. The innovation of SDRAM in South Korea is a case in point; in fact, South Korea has emerged as a world leader in this segment.

As regards the crucial actors, governments of America, Japan, UK, France, Germany, India and China have been actively involved in developing, exporting and importing S&T goods and services. The Chinese government, having made advances both indigenously and through participation in international research programmes (SWB, 3 January 2001)⁴ in the field of science and technology in the last two decades, is now offering S&T related services to a number of countries. This becomes evident from its recent agreements with Cuba wherein China has agreed to help Cuba in the fields of biotechnology, telecommunication and meteorology. Consider also the efforts of the ASEAN countries in coming together and establishing a Committee on Science and Technology (COST). They also organize a Technology Week and cooperate in biotechnology, marine technology, space technology and many other fields (see <http://202.154.12.3/8503.htm>). Universities and research institutes from both public and private domains have been active participants in the globalization of S&T. For instance, most of the 101 universities and various research institutes of the Chinese Academy of Sciences (CAS) in China and 175 universities in India and research institutes under the Council of Scientific Industrial Research (CSIR) have some research collaboration with foreign universities and institutes. Besides universities and research institutes, UN agencies and INGOs such as UNESCO,⁵ the Commission on Science and Technology Development of the United Nations Conference on Trade and Development (UNCTAD) have also been actively contributing to the globalization of science and technology through the establishment of research institutes in different countries. For instance, the Asia-Pacific Centre for Technology Transfer (APCTT) in India is one such centre that facilitates technology transfer among the Asia-Pacific countries. Further, Marvin Soroos (1997) has found that many other agencies such as the International Council of Scientific Unions (ICSU) and the International Institute for Applied Systems Analysis (IIASA) contribute to international scientific cooperation in studying the changing atmosphere and its implications. NGOs at the national level like Centre for Science and Environment (CSE) and Research Foundation for Science, Technology and Ecology (RSFTE) in India and Good Earth and several others in China are engaged in popularizing

⁴ Wang Shaoqi, head of the international cooperation department of the Ministry of Science and Technology said that China has joined 21 of the 51 international scientific research programmes hoping that China's joining these programmes would benefit the national interests and improve its international competition capacity

⁵ See proceedings of the World Conference on Science, *Science for the 21st Century*, Budapest, Hungary, 26 June–1 July 1999. One of the main goals of the conference was to have representatives of different stakeholders at one place and discuss how to use science at a time when many crises are becoming global and science is being incriminated in the process

science and technology, and making it more socially relevant and people-centred through their activities.

Multinational Corporations (MNCs) also contribute to the globalization of science and technology through the establishment of their research labs in several countries including developing countries (Kumar, 1999). MNCs have a unique ability to move their production units from one location to another and the necessary infrastructure to carry out research in one place, production in another location and processing in yet another place. Such flexibility and mobility enables them to conduct their business from a number of locations, thus greatly facilitating the process of globalization of technology. MNCs such as Microsoft, IBM, Dell, Siemens, Motorola, AT&T, Bayer AG, Philips, Fujitsu, Samsung and many others have established either their research labs or production units in China due to the availability of cheap labour and many other advantages (Gassmann and Zheng, 2004: 63–67). For instance, Asea Brown Boveri (ABB) and Alliance for Global Sustainability (AGS) have engaged 75 research scientists from three continents, while three Chinese research institutes have collaborated with two MNCs in the project on integrated assessment of sustainable energy systems in China (Eliasson and Yam, 2003: xxvii). Similarly, Samsung India Electronics recently expressed its intention to make India an R&D hub by planning to double the number of engineers at its centres in Bangalore and Noida to 1,400 and 600 respectively (*The Hindu*, 24 November 2004: 15). Till recently the globalization of technology was carried out by MNCs from the advanced countries but now a number of MNCs from the developing countries have become active participants in this process. One has witnessed the emergence of some Indian MNCs like Tata Computer Consultancy (TCS), Reliance, Infosys and Satyam and Chinese MNCs like TCL, Huawei Technologies Limited and Zhongxing Telecom Enterprise (ZTE). These MNCs have a number of R&D labs and production facilities spread in different countries. Infosys and TCS, for instance, have their offices in more than ten countries. Similarly, Huawei has about eight research labs across the globe and its products are installed in more than forty countries including many from the developed world. Both Indian and Chinese companies are also busy either in buying some of the companies abroad or acquiring a share in the holdings of foreign companies. Chinese computer giant Lenovo recently bought IBM desktop production facilities thus becoming the third largest computer firm in the hardware sector. Likewise in 2003, Infosys bought the Australian firm, Expert Information Services (EIS). Besides private MNCs, some public sector units such as ONGC Videsh Ltd (of India) and Sinopec and Petro China (from China) have of late been either listed as companies or joint stock companies or limited companies. These firms also actively, though indirectly, contribute to the globalization of science and technology.

Thus, the active involvement of an increasing number of developing countries in the generation, collaboration and diffusion of technology has been making globalization of science and technology truly global and more representative. This phenomenon will be much more complex in the coming years as many developing countries acquire greater technological capabilities.

S&T in Bilateral Relations

Globalization of science and technology has its own impact on bilateral cooperation in science and technology. For any two countries to be able to cooperate in science and technology, they need to be in a position to offer something to each other. As Viscount Hailsham (1963: 28) argues, "cooperation is only possible between nations which have something comparable to offer to each other." Countries like the US, erstwhile USSR and Japan could enter into a number of S&T agreements with different countries largely because they were able to provide advanced science and technologies to their counterparts. Some of the East Asian countries such as Japan, South Korea and Singapore have entered into a number of bilateral S&T agreements with the US. These agreements have been of substantial help in achieving their developmental goals. The same pattern has been evolving between China and India during the last few years.

After a steady development of S&T capabilities in different segments in India and China they are gradually venturing into what has been the advanced countries' forte all these years—forging strong S&T ties with other developing countries. This would greatly help both the countries to cooperate in science and technology since each possesses something credible to offer to the other though both have to still catch up with the advanced countries in some sectors. Before discussing the history of S&T cooperation between India and China during the last fifty years, which has been marked by many ups and downs, a brief reference to both countries' approaches to the globalization of science and technology would be useful.

Approaches to the globalization of science and technology have not yet crystallized in China and India. However, their perceptions about the development of science and technology in the global context suggest divergences of approach among all the three actors, viz., the government, universities and industries. The Chinese government is more positive⁶ about the process of globalization of science and technology than its Indian counterpart. This can be seen in its enthusiastic participation in international S&T collaborative projects. Moreover, it is also linked to the issue of status and prestige. The Chinese are also debating why China is not receiving Nobel prizes. Some of them are hopeful of China getting a Nobel prize in the next few years (Cong, 2004: 151–72). As the Chinese are trying to move into the elite club of a few in the realm of scientific advancement they consider that participation in global projects would pave the way for winning Nobel prizes. In contrast to China, India has been quite apprehensive about the globalization of science and technology and as a result it is committed to developing science and technology indigenously (Guha and Ray, 2004; Krishna, 1996; Lall, 1987). But now this attitude is undergoing some positive change wherein it is recognized that development of its technology is inextricably linked to an extensive technology

⁶Chinese scholars as well as the Chinese government have been debating about the development of science and technology in the context of globalization and in the era of big science.

transfer from advanced countries and an active participation in international S&T projects. Further, the Chinese government has been approaching globalization of technology with a clear understanding and an S&T-friendly policy framework to facilitate technology flows and transfers. In this regard, the Indian government has a long way to go with many hurdles coming in the way of the smooth flow of advanced technologies to the country. However, there are signs of opening up under the United Progressive Alliance (UPA) government.

The same pattern can be observed in their respective university systems. Chinese universities are approaching the issue with a clear frame of mind and boldness particularly through joint collaboration with foreign universities. Indian universities on the other hand are yet to adopt a well-defined approach. The only exceptions are the Indian Institute of Technologies (IITs) and the Indian Institute of Managements (IIMs) and a few central universities. Therefore a majority of the universities in India are yet to make any notable progress in approaching globalization positively through collaboration and cooperation. The approaches of industrial firms from both public and private sectors in India and China have been quite positive. As discussed above, these firms have been actively participating in the process.

Trends in S&T Cooperation between India and China

There are very few studies on science and technology in India and China (Baark and Sigurdson, 1981; Jain and Chen 1999; Kharbanda and Jain, 1996). Most of them compare the development of S&T in the two countries, but none of these analyse S&T cooperation between the two countries (Kharbanda, 1989). One of the reasons for this is that there was very little S&T cooperation between India and China until the middle of the 1990s. This section attempts an analysis about what and how much of S&T cooperation has been part of India-China relations. Given the globalization of science and technology in the recent past and the growing volume of bilateral trade between India and China which stood at US\$ 14 billion in 2004 it is expected that S&T could become a crucial component of this increasing cooperation between the two.

S&T cooperation was not accorded due importance in the bilateral relations between India and China for at least four decades from the beginning of independent India and communist China in contrast to the experience between China and the erstwhile USSR. India has signed a number of bilateral agreements with countries such as the US (Ministry of External Affairs, 1954), Canada, France, Germany, Japan, Iran, Iraq, Zambia, Mexico and Senegal. But there has been no comprehensive agreement dealing exclusively with S&T between India and China until now. If at all there has been any S&T cooperation between the two it has been part of the overall trade agreement or general bilateral agreement. In other words, S&T cooperation has not acquired an independent status of its own in

India-China relations.⁷ This is due to several factors. First, S&T cooperation between India and China has been subjected to the vicissitudes of the overall nature of bilateral relations. Bilateral relations between India and China, except in the early four years of the 1950s, have rarely been smooth. Notwithstanding the vicissitudes of bilateral relations, attempts were made to promote S&T cooperation but they were not pursued with seriousness. Cooperation in science and technology at present is still in the early stages, which is not in keeping with the status of China and India as two emerging technology powers. Continuous efforts are needed to exploit the huge potentials that exist by the cooperation between the two countries (see www.fmprc.gov.cn/eng/default.htm). Second, until recently both the countries did not have advanced technological capabilities to look to each other for cooperation, instead both turned to countries that could supply those advanced technologies.

Besides these, one could notice two other dimensions of S&T cooperation between India and China, particularly in the 1990s. The first is that cooperation was largely confined to the respective governments until the late 1980s. During this period the two governments were the dominant players in promoting S&T cooperation. The second aspect is that since the 1990s the private sector has begun not only to enter the Chinese market but it has also dominated S&T cooperation. The number of Indian private firms setting up offices and carrying out joint ventures besides investing in China and the number of Chinese firms setting up their overseas branches and investment in India has been on the rise since 1999. This trend continues even presently.

Early Phase

Cooperation between India and China in S&T was subsumed within the larger bilateral trade framework during this period. Though there was no specific S&T agreement signed between India and China in the initial years of their bilateral relations after cooperation began between India and China with the signing of a trade agreement in October 1954 (Ministry of External Affairs, 1954). Schedules A and B of the agreement contained a list of various goods which could be traded between them. In Schedule A there were eight sets of goods such as cereals, machinery, minerals, silk and animal products available for export from China to India. Schedule B contained three sets of goods available for export from India to China. What was noteworthy was that this agreement included a large number of goods which fell in the broad arena of science and technology. Take for instance, all the goods that were agreed to be traded pertaining to machinery and scientific equipment including medical instruments and chemicals came under the purview of S&T. The agreements signed between India and China in May 1957 and the letters exchanged in May 1959 continued this trend. But the caveat is how much

⁷ There have been some specific agreements relating to areas such as space research but there has been no comprehensive S&T agreement.

of what was agreed was taken to its logical conclusion. Thereafter, as is well known, bilateral relations deteriorated perceptibly due to the Tibet problem and the border dispute culminating in the 1962 war. From 1962 to 1975, there was no direct contact between the two except at the United Nations and other multilateral forums. From 1975 till 1983, the context of the relations between the two slowly but surely began to change with the exchange of ambassadors in 1975. In October 1983 during the fourth round of official talks both the countries agreed to expand contacts in the fields of science, culture and trade which was concretized the following year when they signed a trade agreement with most favoured nation status. The historic visit by Rajiv Gandhi, the then Prime Minister of India, in 1988 further improved the relations between the two. It was this visit which paved the way for a new phase in bilateral relations.

The Current Phase

Rajiv Gandhi's visit cleared much of the misunderstandings between the two countries at the highest level. Rajiv Gandhi, who was greatly impressed by the progress that China had been making under Deng Xiaoping, wanted not only to resolve the border dispute but also believed that India could make similar kind of progress. In this context he advocated that both the countries should have a forward-looking strategy to open new vistas of friendship and cooperation. He stressed that economic, scientific, technological and cultural cooperation between the two countries would greatly contribute to a better understanding between India and China and would indirectly help in solving complex problems (Gandhi, 1989: 187-97). During his visit India and China agreed to set up a joint group on economy, trade and science and technology signalling the potential in cooperation in science and technology. In fact, both the countries signed an agreement to co-operate in science and technology (Joint Communiqué, 1989: 199-200). In sum, his vision became the bedrock for bilateral relations in subsequent years. Successive Indian Prime Ministers followed it up with not so much enthusiasm.

Apart from this, India and China signed a number of agreements during 1988-2004 relating to science and technology during this period. For instance, in April 1991 both countries signed a Memorandum of Understanding (MOU) for cooperating in technology transfer, engineering and consultancy services in the fields of chemicals and petrochemicals. Again in December 1991, during the then Premier Li Peng's visit to India the two countries agreed to cooperate in space research and technology given the impressive advancements accomplished in this area (Sino-Indian Communiqué, 1992: 89-92). In August 1992, India and China agreed to set up a joint venture in the steel sector at Daitri in Orissa. As part of the agreement, China Metallurgical Import-Export Corporation would build a steel plant in Orissa. This would enable the steel plant to produce steel at internationally competitive quality and prices. In 1994, India and China agreed to cooperate in the oil sector besides laying the foundation for a strategic alliance in the hydrocarbon sector whereby India agreed to export heavy oil processing technology,

pipelines and offshore structures to China. Despite these efforts in a positive direction, China opposed, though unsuccessfully, the establishment of a UN Regional Centre for Space Science and Technology for Asia and the Pacific in India. Such a negative attitude may not be conducive to future cooperation in S&T.

Though some element of competition exists between India and China, they have been reiterating their commitment to enhancing S&T cooperation from time to time. This became evident when President S.D. Sharma stressed in 1997 that both the countries must give a renewed impetus to bilateral trade and economic and technological cooperation. Former President K.R. Narayanan in his address at Peking University in 2000 said that there was functional interaction between the two countries in a wide range of areas including agriculture, bioengineering, remote-sensing, space, civil aeronautics, iron and steel, coal, petroleum, labour, civil services personnel management, health, environment, audit, maritime transport and in numerous other fields (Narayanan, 2000: 613–19). In 2002, former Chinese Premier Zhu Rongzhi also talked about the necessity to increase bilateral exchanges and cooperation in the field of science and technology and to further promote regional economic cooperation (*People's Daily*, 15 January 2002). In 2003, former Indian Prime Minister, A.B. Vajpayee emphasized that if countries like India and China concentrated on specific areas of technological complementarities they could benefit far more than competing across the spectrum (Vajpayee, June 2003). He also stressed that by cooperating directly both could do away with middlemen from the advanced countries (Vajpayee, June 2003).

In 2003, besides committing themselves to strengthening historical and cultural links (Declaration, June 2003), India and China signed three specific MOUs to cooperate in the field of science and technology. The first related to cooperation in renewable energy between the Ministry of Non-Conventional Energy Resources (India) and the Ministry of Water Resources (China). The second was signed between the Department of Science and Technology (DST) of India and the National Natural Science Foundation (NNSF) of China to collaborate in the fields of mathematics, physics, chemistry and biological sciences (Memorandum of Understanding between the Department of Science and Technology). In July 2004, a high-level team from DST visited NNSF and held discussions for further cooperation in science and technology. In the same year an MOU to cooperate in ocean science and technology was signed. As part of the agreement both would cooperate in integrated coastal zone management, sea-bed resource exploration, polar science and ocean energy, gas hydrate exploration, marine resource assessment and sea weed production and processing and satellite oceanography. This agreement would be in operation for five years. Both countries also agreed to set up a Joint Committee on Ocean Cooperation consisting of five members from each country to coordinate and supervise cooperation in ocean science and technology (Memorandum of Understanding for Cooperation, 2004).

Apart from the above agreements and MOUs, the opening of new border trade points at Changgu of Sikkim and Renqinggang of Tibet through Nathula Pass, besides those that had been opened earlier, could further enhance trading in S&T

goods and services between India and China. This process can also contribute to China's "Go-West" project to develop the western part of China, particularly Tibet, Xinjiang, Qinghai and Gansu. In addition, this has immense potential to diffuse the border dispute and pave the way for its eventual resolution provided both parties view this positively.

Private Initiatives

Initiatives from private companies play a major role in promoting science and technology cooperation between India and China. From the mid-1990s a number of Indian private enterprises started setting up their offices in China. The first Indian private enterprise to set up its China office was Aptech. Thereafter a number of other Indian private enterprises and some public sector enterprises began to enter the Chinese market. In the first decade of the twenty-first century, there are more than eighty Indian enterprises in China with their businesses growing consistently. These enterprises, both large and small, range from manufacturing to services with export and import functions. Some of them are in banking such as SBI, ICICI, Bank of India and Bank of Baroda. Some of them are wholly-owned foreign enterprises (WOFEs) while others are joint ventures (JVs). For example, Jade Bird, a computer firm from Peking University has a JV agreement with India's Aptech. A majority of these firms belong to the IT sector. Most of the Indian enterprises are located in Beijing, Shanghai and Guangdong province with a few others spread over Zhejiang, Jiangsu and Shaanxi provinces. It is argued by some that Indian IT firms are contributing to the development of software capabilities of many Chinese companies.

Similarly, the number of Chinese enterprises that have entered the Indian market has been on the rise in the recent past. TCL, Huawei Technologies Limited, Haier, Fiber Home Technologies Group, Jiangsu Overseas Group Corporation, China Metallurgical Import and Export Corporation (CMIEC) India Liaison Office, China Shuangang International Trade and Engineering Corporation and Zhongxing Telecom Enterprise (ZTE), China's largest telecommunications provider, are some of the Chinese companies that have come either to market their products or to invest in the booming Indian economy. Huawei has about 600 employees, with the Chinese staff numbering 50 in its Bangalore R&D centre, the first to be established in India by a Chinese company. The main objective for establishing this centre is to tap the software skills of Indian IT professionals and thus benefit from IT development in India. The centre is working on developing advanced technologies relating to wideband switching, 3G mobile communications, embedded systems and wireless infrastructure. On 1 August 2003, this centre achieved the Software CMM Level-5, one of the advanced levels, certification.

A notable aspect of Sino-Indian S&T cooperation led by MNCs from the two countries is that Indian software skills match with Chinese hardware. The consequent result is high levels of achievement. The difference between the establishment of Indian firms in China and Chinese companies in India is that the former

do so to serve their clients in China whereas the latter seek to tap the Indian software skills and use them to make profits by selling the services in the international market.

Capabilities in Different S&T Sectors

India and China, given the focus accorded to various national and regional contexts, historical legacies and goals, have developed their technological potential in different sectors. In some areas India is ahead while China is at the forefront in others. India and China possess technological capabilities in several fields a detailed study of which is outside the purview of this article. Therefore, what is given below is the analysis of a few key sectors.

Information Technology

India and China have accorded information technology utmost priority in their developmental goals. It is even argued (Franda, 2002: 1–12) that both are using IT in achieving their larger, global aspirations. Indian credentials in IT, particularly in the software segment, are well-established and recognized all over the world so much so that even some of the advanced countries such as Japan and Germany seek the service of Indian IT professionals. On the other hand, China with an impressive record in the development of IT hardware and with the latest acquisition of IBM desktop production units by Lenovo (a Chinese giant in computers), is also fast becoming a global player in IT (Tipson, 1999: 231–65). The rate at which the information industry is growing in China is worth noting. It is estimated that its share in GDP is about 7.5 per cent in 2005.

In India, the private sector-led IT industry, with a more than US\$ 12 billion worth foreign trade in IT services, has begun a process whereby a number of Indian IT companies like NIIT, TCS, Infosys and Wipro have established their business operations in China. For instance, NIIT started its operations in China in 1997 first as a joint venture and later as a wholly-owned foreign enterprise (*People's Daily*, 3 December 2001). Aptech and NIIT with more than a hundred training centres each have been training a number of Chinese IT professionals. Besides these IT giants, a number of small IT companies have also started their businesses in one of the fastest growing markets for IT. The Internet segment in the last few years has been growing impressively with many Chinese web portals such as Sina, Sohu, Netease, Shanda and many others offering a number of services like e-commerce, online auctions, net gaming, and mobile-phone services. It has been said that, "China has the potential to become the second major power of the Digital Age. By 2006, it is expected to have more people on the Net, more broadband subscribers, and more mobile-phone customers than any nation on the earth." (Einhorn, 2004: 22–28). The Indian IT industry has been witnessing rapid growth

since the mid-1990s. According to NASSCOM, the IT industry contributed about 3 per cent to India's GDP during 2003–04. Total revenues of IT services were about US\$ 15.9 billion including domestic revenues, which is only one-fifth of the total. The recent competition among both government and private sectors in providing various IT services demonstrates the potential for growth in information technology in India. Both government and the private sectors are competing to benefit from this enormous growth.

Biotechnology

Like the IT sector, both India and China are doing very well in different segments of biotechnology (Philips, 2001: 665–77). Biotechnology has many applications ranging from agriculture to medical science (Chaturvedi, 2003: 74–100; IFPRI, 2001). China is ahead in the former whereas India is well advanced in the latter using its research potential in biotechnology for medical purposes. China is leading in genetic sequencing of rice, apart from its earlier achievements in T-RNA and synthesis of bovine insulin. It completed sequencing of rice in 2002; China's achievement in this area is comparable to agricultural research in developed countries. China has also been successful in developing some high yielding rice strains which have contributed to its food security to a certain extent. Its success in this area has been facilitated by its participation in various international collaborations with some of the leading countries in this field. China has a number of joint ventures with some of the leading biotech firms such as Monsanto, Amgen, Neupogen, Mark Sharpe and Dohme, Ecogen and Hoffmann La-Roche from America, and Biomedical Systems from Australia. Likewise Chinese agri-biotech companies have entered the Indian market. For instance, Chinese Biocentury Transgene Company has a tie up with the Indian Nath Seeds firm to supply its transgenic technology – Bt and Bt + which could improve agricultural production. Hua Biyun cites the case of University of Sambalpur in Orissa adopting biological organic fertilizer technology that had been developed by a joint venture between China and France (Hua, 2005: 272–85).

However, in the area of medical technology China has a long way to go. This is where China can learn from the Indian experience. The Indian track record in using biotechnology for medical purposes is again comparable to the achievements of many advanced countries, though India can still make more progress (Ramani and Venkataramani, 1999: 181–206). With many breakthroughs in biotechnology, the Indian pharmaceutical companies have moved into China to compete with international giants. Ranbaxy and Reddy's Labs are some of the Indian companies that have been operating in China for the last few years. Ranbaxy operates in China as Ranbaxy Guangzhou China Ltd., with sales of about US\$ 12.3 million in 2003 while Reddy's Labs operates in China as Kushan Rotam Reddy Pharmaceutical.

Agricultural Machinery

The quality and use of agricultural machinery has a bearing on agricultural production and at the same time can result in the rise of unemployment, which has led to heated debates about the necessity of applying advanced technology to agriculture in countries with large populations. Maintaining a delicate balance in this area, therefore, is of utmost importance to both India and China. The diffusion of agricultural machinery like planters, harvesters and threshers is more widespread in China (Sangui, Winter 1995/Spring 1996: 141–55) than in India. This is largely due to the Chinese government's policy towards the promotion of agricultural machinery and the success of land reforms in the initial years of the establishment of PRC. Collectivization in the 1950s and its subsequent de-collectivization in the early 1980s have also contributed to the process of diffusion of agricultural machinery in two different ways. Greater awareness about the agricultural technologies available and their efficiency in improving agricultural production during the collectivization period was evident among the people when contrasted from the affordable use of some of these technologies during the de-collectivization period. Local governments and farmers' organizations besides non-governmental organizations have played a crucial role in this process. One does not see the same pattern and process in India partly due to the failure of land reforms and partly due to the absence of active farmers' organizations and NGOs. Diffusion of technology in India is largely confined to only a few pockets owned by large farmers leaving a bulk of the others behind.

Energy-Related Technologies

With more than a billion people in each and increasing economic growth rates, both India and China face a heavy demand for energy at present which will only grow in the years ahead. It is estimated that about 30 per cent electricity is lost in the transmission process in India. Once again China is ahead in this sector. Quite a number of homes and offices in China are equipped with automatic electricity switching systems which save large amount of electricity. Given India's backwardness in this area, it can certainly import some of these from China. Chinese are slowly entering into this sector in India. For instance, two Chinese companies, the Shandong Electric Power Construction Company and Chung Hsin Electric and Machinery MFG Corporation, have won two contracts with India's BALCO and BSNL, respectively. To be able to attain self-sufficiency in this sector both need to either import advanced technologies or jointly develop technologies given their specific context. Importing advanced technologies would no doubt contribute to the efficient use of energy but these technologies come with a high price. Developing energy saving technologies independently and in collaboration with other advanced countries has been the priority in both the countries. India and China can coordinate with each other in the conduct of negotiations with the technology suppliers.

Steps for Strengthening Cooperation

Science and technology cooperation between India and China largely depends on their respective technological capabilities (Government of India, Science and Technology Policy, 2003; Lu, 2003; Ministry of Science and Technology, 2002). Given the recent advancement of S&T in India and China there is enormous scope for cooperation and mutual benefits from each other. This, however, requires a careful understanding of their technological potentialities as well as a positive approach towards cooperation. Some scholars describe China as a potential technological super power despite certain bottlenecks in its S&T system (Sigurdson, 2004: 345–47). Similarly the demand for Indian software professionals in America, Japan and Germany confirms the technological capabilities of India and the direction in which its technology development would proceed in the future. Moreover, the private sector in both the countries has demonstrated its reach and maturity by either establishing production units and research centres, or by purchasing companies in various countries. There is a need for them to remain competitive at the global level by developing their own in-house research facilities and innovation capabilities (Mani, 2001).

Out of the selected seven indicators detailed in Table 1 India is ahead in two fields while China is ahead in five. Though this may not be the best way to compare S&T capabilities in India and China, it points to the fact that China is ahead of India in comparative terms. India has a lot of catching up to do with China.

Table 1
S&T Fields Where India and China Have an Edge over the Other

Information Technology	
Software	India
Hardware	China
Biotechnology	
Gene Sequencing	China
Pharmaceuticals	India
Agricultural Technology	China
Space Technology	China
Energy-Related Technologies	China

From almost all the indicators given in Table 2, it becomes evident that China has an edge over India, with the only exception of winning Nobel prizes and software exports. One of the reasons for this is that China had opened its economy about 13 years ahead of India. It had also invested heavily in the infrastructure and manufacturing sectors by establishing procedures for smooth FDI flows, which in turn have been responsible for such rapid growth. India has just begun to take these issues seriously. India's commitment to infrastructure building can be seen

from its construction of the Golden Quadrangle project and various other projects such as establishing Export Processing Zones, similar to Special Economic Zones in China.

Table 2
Selected S&T Indicators in India and China

<i>Indicator</i>	<i>India</i>	<i>China</i>
Number of researchers in R&D (per million people 1990–2001)	157	584
Technicians in R&D (per million people 1990–2001)	115	202
Scientific and technical journal articles (1999)	9,217	11,675
Expenditure for R&D % of GDP (1996–2002)	0.81*	1.09
High-technology exports (\$ millions 2002)	1,788	68,182
% of manufactured exports	5	23
Royalty and license fee (receipts \$ millions 2002)	12	133
payments (\$ millions 2002)	350	3,114
Patent applications filed (2001) residents	234 (654)∇	30,324
non-residents	78,288 (937)∇	118,970
Software exports (US \$ billion) 2003–04	12.5	6.4
Technology contracts (2002)	4,153	6,072
No. of S&T institutions (2002)	3,000	4,347
No. of international collaborative projects (2002)	1,570	1,794
High-Tech exports % of manufactured exports (2002)	6.46	24.3
Internet users (per 10,000 inhabitants) (2001)	68.2	256.7
Personal computers (per 1,000)	6	19
Nobel laureates in natural sciences	2	0

Source: Data collated from the following sources: World Bank, *2004 World Development Indicators* (Washington D.C.), pp 298–99, United Nations, *UNCTAD Handbook of Statistics 2003* (New York), National Bureau of Statistics and Ministry of Science and Technology, *China Statistical Yearbook on Science and Technology 2003* (Beijing: China Statistics Press); *Directory of Scientific Institutions in India 1994* (New Delhi: INSDOC); *Directory of MNCs and Foreign Companies in India 2001* (New Delhi: Centre of Publication) and Government of India, Ministry of Science and Technology, Department of Science and Technology, *Science and Technology Data Book 2002* (New Delhi, March 2004). The problem with some data from *Data Book*, though published in 2004, is rather not up-to-date.

Notes: *Actuals for 1999 and 0.94 is estimated for 2001, ∇ Number of patents granted during 2001–2002 based on the data from the *Data Book*.

Given the rate of advancement of technology in India and China there is enormous scope for cooperation. For this both need to seriously put their resources to find out the areas where they can cooperate. In fact, they can cooperate in the least controversial areas such as biotechnology, agricultural technology and ICTs, and then slowly move on to the areas with dual-use technologies of space. The business environment in both the countries is also very conducive. Therefore, private firms can continue their lead in pursuing cooperation in the S&T sector (Zinzuis, 2004). Both the governments can also move beyond the current phase

of signing agreements to concrete cooperation. The scenario that emerges from Table 3 is rather encouraging for India. Out of the fifteen indicators selected, India is ahead of China in seven while China fares better in eight.

Table 3
Technology Competitiveness Ranking of India and China

<i>Indicator</i>	<i>Rank</i>	
	<i>India</i>	<i>China</i>
Innovation (economic creativity)	38	34
Technological sophistication	38	42
Intellectual property protection	48	49
Licensing of technology	1	54
Technology development	37	26
Necessity of research by firms	18	10
Research collaboration with universities	NA	14
Technology transfer (economic creativity)	26	43
Scientific research institutions	23	27
Research collaboration	33	14
Private sector spending on R&D	42	37
R&D spending	48	37
Venture capital	30	46
Product design	47	35
Production processes	42	43

Source: Compiled from *Global Competitiveness Report 2000* (New York: Oxford University Press, 2000).

There are several problems plaguing S&T cooperation between India and China. First, both continue to remain bogged down in the border dispute. Strengthening cooperation in S&T, however, does not need to be directly linked to the resolution of the border dispute. The most pragmatic approach would be to pursue economic cooperation with a major thrust on S&T even while seeking to find a mutually agreeable solution for the border dispute.

Second, both India and China entertain certain apprehensions about each other. While in China it is asserted that "India needs to eliminate anxiety about China," (*People's Daily*, 6 September 2001), India considers China as a threat to its security. Both need to get rid of such apprehensions about each other's rise. Both can rise peacefully with the development of technological capabilities. They can cooperate as their oil giants do in the Greater Nile Project in Sudan (Hua, 2005).

Third, lack of adequate awareness about each other's S&T system is an issue which needs immediate attention. Whatever information is currently available is fragmented and too little for better cooperation. Added to this is the absence of any professional bodies on the lines of Indo-US Science and Technology Forum. Such a body could facilitate a high degree of interface between Indian and Chinese S&T systems through regular interaction and collaboration among scientists, researchers and institutions.

Conclusion

Rapid globalization of science and technology has redefined cooperation between India and China. The real test for India and China in the twenty-first century is how they use science and technology for the upliftment of the millions who are below the poverty line. How both countries, particularly governments, universities and research institutes, respond to the process of globalization of science and technology and their ability to use technologies for the benefit of the poor would determine the nature of the expansion of science and technology cooperation between India and China. While Indian and Chinese MNCs are actively participating in the furtherance of S&T cooperation, the governments have not moved beyond discussions and signing of MOUs. They need to supplement the MNCs in promoting S&T cooperation in a much more structured manner. Again, there is great scope for universities and various research institutes to carry out joint collaborative research and thereby contribute to the development of knowledge generation and application in the expanding knowledge economies. They also need to emulate MNCs in forging strong ties with their counterparts for mutual benefit and thereby build a robust human capital and improve knowledge skills.

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Service Sector in China After its Accession to the WTO

Anil K. Kanungo

China's membership to the World Trade Organization (WTO) has given a new dimension to the conduct of world business. With this, China has made a radical departure from its past and brought in a whole range of changes as far as the processes of opening up and liberalization are concerned. Its services sector is presently experiencing a radical reforms programme in accordance with China's commitments under the General Agreement in Trade and Services (GATS). It is set to eliminate restrictions of all kinds in a couple of years. However, the slow reform process coupled with a continuation of restrictions with regard to some specific sectors are delaying the gains, which could have otherwise been realized. Yet China's services sector yields good results. The geographical restrictions on services liberalization, for instance, have allowed economic activities to get concentrated in specific areas resulting in regional disparity. On the whole, services liberalization affirms that putting a proper regulatory framework in place and appropriate sequencing of reforms may yield good results for China.

Dealing with China has never been easy for outsiders. For ages it has confounded and at the same time captivated the west, and more so the east during the past decade and a half. China's culture, traditions, politics, management and governance have allowed her to retain its "sinosyncratic" identity despite the powerful homogenizing influences of globalization. Its recent accession to the World Trade Organization (WTO) is an important event, both for China and the world. There is a broad consensus that China's entry into WTO will have a profound effect on the country. Both the academic community and business leaders tend to focus on the implications for various sectors, mainly analyzing how the entry of foreign players may change the entire competition scenario. This article makes an attempt to look at the services sector of the Chinese economy in the aftermath of its accession to WTO. Since the services sector is too vast, the analysis is restricted broadly to three aspects, namely financial, telecommunications and insurance.

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China's commitments under the General Agreement in Trade in Services (GATS) represent a radical and comprehensive services reform programme negotiated in WTO. It has promised to open up in a few years all sectors of its economy and remove all restrictions on foreign entry and ownership. It also proposes to set aside all forms of discrimination against foreign firms. In a span of six years (taken from the date of accession) one of the most inward and closed services market economies is fast emerging as one of the most open.

Successful reforms generally lead to improvement in the overall situation in the services market. They provide a better services market to the consumers in terms of price, quality, product variations and the availability of new products. Efficient use of services sectors like telecommunications, transport, banking, insurance and others connect the country better with the outside world. This generates huge employment opportunities and also destabilizes the employed labour force as more efficient services are provided with the help of technology and better human capital. But it is not possible to exactly quantify the losses and the gains every time. What would be the possible scenario for China's services sector? How is China going to implement the accession commitments? Will there be any restrictions on the policy front and how would foreign entry be regulated? The present article essentially aims to focus upon how the transition to more open markets needs to be better managed.

The discussion in the paper analyzes China's accession commitments. It attempts an overview of the performance of three service sectors. And finally it looks at the options for carrying out complementary reforms.

Accession Commitments on Service Sector

The introduction of GATS as a major component of the WTO regime in 1995 as an acknowledgement of the growing importance of services sector has meant that countries have started giving priority to this sector as they realize that this sector has great potential in today's knowledge based economy. This sector has emerged as a money spinning one not only for the industrialized countries but also for developing countries. Now services have been recognized as a separate and distinct negotiating area in the multilateral forum. Unlike in the past, anomalies in the services sector relating to trade are now carefully looked into by member countries in WTO.

GATS lists in detail the measures to be taken by members in relation to all sectors of trade in services. GATS has twenty-nine provisions that lay down the broad framework for international trade in services. Services trade is sought to be governed in terms of four modes. Mode 1 deals with cross-border supply and is similar to trade in goods, here a service is supplied to another area or a country. This comes into operation, for example, when there is a purchase of diskettes, or banking and insurance by a consumer from a supplier based in another country. Mode 2 relates to consumption abroad. This takes place when a consumer or a firm moves into other countries to make use of their services; take for example

consumers travelling to another country for tourism, medical treatment or for educational purposes. Mode 3 is concerned with commercial presence when a foreign bank, insurance or telecommunications firm tries to establish a branch or a subsidiary in the territory of another country. Mode 4 refers to movement of natural persons and occurs when an independent service provider or a software professional or an executive of a multinational company goes to supply his/her service in another country, even if temporarily.

Some of the obligations under GATS in relation to trading can be applied right away without reference to the limitations part, whereas other obligations depend upon the sector-specific commitment initiated by individual members. Prominent among these obligations are transparency and most favoured nations (MFN) principle. The transparency obligation requires each member *inter alia* to publish promptly all relevant measures of general application (i.e., measures other than those which involve only individual service suppliers) affecting trade in services. As regards the MFN principle, it prevents any form of discrimination among the trading partners.

A member country's trade liberalization in services depends on the extent of complementarity it brings with the agreement on trade in services. GATS utilization depends on the nature and extent of sector-specific commitments adopted by individual members. The core provisions of GATS in this context relate to market access (Article XVI) and national treatment (Article XVII). These provisions apply only to sectors explicitly included by a member in its schedule of commitments—a "positive list" approach—and they too are subject to limitations that a member has scheduled. GATS commitments are basically guarantees and the absence of such guarantees need not mean that access to a particular market is denied.

The market access provision targets six types of limitations. These include limitations as to the number of suppliers, the total value of transactions, the number of service operations or the quantity of service output, the total number of natural persons to be employed and restrictions on foreign capital participation (in percentage terms). Notably these are still voluntary in nature and apply to only those service categories included in a member's schedule and that too only to the extent specified therein (Article XVI). Given the voluntary nature of these key obligations, it is not surprising that only a few members would actually reduce the existing access barriers or discriminatory treatment to any significant extent.

Whereas national treatment is defined under Article XVII in the same manner as General Agreement on Tariffs and Trade (GATT)—providing treatment no less favourable than accorded to domestic players or service providers—it is not obligatory for the members to provide national treatment in all the service categories. Each member is allowed an option of inscribing limitations in their schedules with respect to each of the four modes of supply.

In the light of scarcity of data, an analysis of China's services sector is difficult. Nonetheless, market access and national treatment commitments in China (Ianchovichina and Martin, 2001) establish that the coverage of market access commitments (the unweighted average count) was 57.4 per cent (see Table 1).

Table 1
Coverage of Specific Commitments (%)

	<i>High-income Countries</i>	<i>Low and Middle-income Countries</i>	<i>Large Developing Nations</i>	<i>China</i>
Market access				
Unweighted average count (sectors-modes listed as a share of maximum possible)	47.3	16.2	38.6	57.4
Average coverage (sectors-modes listed as a share of maximum possible, weighted by openness or binding factors)	35.9	10.3	22.9	38.1
Coverage/count (average coverage as a share of the average count)	75.9	63.6	59.3	66.4
No restrictions as a share of total offer (unweighted count)	57.3	45.5	38.7	40.2
No restrictions as a share of maximum possible	27.1	7.3	14.9	23.1
National treatment				
Unweighted average count (sectors-modes listed as a share of maximum possible)	47.3	16.2	38.8	57.4
Average coverage (sectors-modes listed as a share of maximum possible, weighted by openness or binding factors)	37.2	11.2	25.5	45.0
Coverage/count (average coverage as a share of the average count)	78.6	69.1	66.1	78.4
No restrictions as a share of total offer (unweighted count)	65.1	58.0	52.3	63.5
No restrictions as a share of maximum possible	30.8	9.4	20.2	36.5
Memo item				
No restrictions on market access and national treatment as a share of maximum possible	24.8	6.9	14.3	29.8
Number of sectors committed	293.0	100.0	239.0	356.0

Source: Ianchovichina and Martin (2001).

This is much higher than the commitment offered by any other group of countries, including high income countries in the Uruguay Round. The "average-coverage"—a measure of coverage that better reflects the extent of liberalization of services—was 38 per cent for China which shows more openness compared to other high-income group countries. Furthermore, the share of completely liberal commitments (no restrictions) in the maximum possible commitments was 23 per cent for China, which is much higher than that of any other group of developing countries but somewhat lower than that of high-income countries. China's commitments towards national treatments on trade in services are wider and deeper than other groups of countries.

Overview of the Services Sector

China's services sector has been a late starter specifically in the context of liberalization and globalization. The push to provide better services and to liberalize the services sector started in China with measured promotional policies of the government. Since then, many services have grown rapidly and they have led to large variability in the quality and cost of services (Walley, 2003). Measured services are estimated to be about 33 per cent of GDP, well below China's income comparators. This may have occurred due to inherent policies of not promoting consumer services in a socialist country like China. Even today the services sector in China is not so well developed as compared to other countries. One finds even large gaps in the provision of basic producer services.

There are various reasons why the services sector is not so well developed in China; political and socio-economic factors among them are prominent. As China is a member of WTO and opening up the sectors is part of its commitments, it is important to know what hinders foreign companies or firms from taking full advantage of the services sector. The moot question is: are there restrictions in China's official policy that hinder opening up of the services sector?

Restrictions

A closer look reveals that for most sectors modes 1 and 2 (with regard to cross-border supplies and consumption abroad) are either fully open or unbound and are not subject to any specific restrictions. Commitments on mode 4 (relating to natural persons) specified horizontally rather than sector by sector, are also standard. Entry is guaranteed to managers, corporate executives and specialists, defined as senior employees of a corporation of WTO members, who are engaged in the foreign-invested enterprises in the territory of the People's Republic of China for conducting business in China. They may be granted a long-term stay permit as stipulated in the relevant contracts or an initial stay of three years, whichever is shorter (Report of the Working Party, 2001). No commitments are made regarding other categories of movement of natural persons, as for example unskilled personnel or movement not linked to commercial presence. With regard to mode 3, dealing with commercial presence, the official policy of China continues with several restrictive measures in the form of establishment, geographic scope, scope of business and regulatory requirements. Under form of establishment restrictions, a foreign enterprise can make an entry into China in specific sectors in two ways. The typical restriction is the requirement to form a joint venture which is either an equity joint venture (EJV) or a contractual joint venture (CJV). Foreign ownership in EJVs is frequently restricted to specified levels ranging from minority ownership (49 per cent or less) or majority ownership (50 per cent) or full membership. The geographic scope restrictions limit commercial activity to specified cities, for example in Shanghai or Shenzhen or in special economic zones while business scope restrictions permit transactions only with a subset of consumers

or are restricted in some other way. Under the regulatory requirements foreign firms may be established as a representative office for a certain period of time before commencing full business operations.

Restrictions on the form of commercial establishment have been prevalent in China for quite some time and are being justified as a source of acquiring technology or obtaining a share of monopoly rents. All such restrictions slowly apply to forms of establishment. Restrictions of these kinds mentioned in the WTO agreement which confine foreign ventures to five cities for five years as in the case of insurance and might encourage an agglomeration of these activities in the favoured cities, which will not be reversed when the restrictions are subsequently lifted (Mattoo, 2002). Such restrictions may cause a rather adverse impact on the rural areas of the country even if they seek to optimize a comparative advantage of the designated urban areas.

Financial Services

Before GATS came into existence, the 1994 commitments stipulated that insurance services were to be supplied through a branch or joint venture in Shanghai. Again this was subject to a number of conditions pertaining to minimum capital and prior presence, globally (thirty years as an insurance company) and locally (three years as a representative office). With the accession to WTO, non-life insurers are permitted to open a branch or JV with 51 per cent foreign ownership, whereas life insurers are permitted 50 per cent ownership of a JV with a partner of their choice. Non-life insurers can provide a "master policy" insurance and insurance of large-scale commercial risks without geographic restrictions and insurance of enterprises abroad as well as property insurance, related liability insurance and credit insurance of foreign-invested enterprises in five cities: Shanghai, Guangzhou, Dalian, Shenzhen and Foshan. Life insurers are permitted to provide individual (not group) insurance to foreigners and Chinese citizens in these five cities. By the end of 2004, all restrictions would have disappeared except the foreign ownership limit on life insurers. Licences are to be awarded solely on the basis of prudential criteria and with no application of quantitative limitations or economic needs tests (Mattoo, 2002).

Under the 1994 commitments, foreign banks could only operate in specified regions, accept deposits only from non-residents and only in foreign currencies (with some exceptions) and could not provide loans to Chinese citizens. On accession, geographic and client limitations will be eliminated for foreign currency business. Even though the concerned schedule states that on accession local currency business will be allowed in four cities (Shanghai, Shenzhen, Tianjin and Dalian), there seems to be a binding restriction on clients, which will only be relaxed in two years. The entire banking sector will be fully liberalized by 2006. As in the case of insurance, licences are to be awarded solely on the basis of prudential criteria with no quantitative limitations or economic needs test applied.

Insurance

Currently, China's insurance market is dominated by a small number of large local companies, particularly legacies of People's Insurance Company of China (PICC), the former state monopoly insurance (non-life) companies like China Life (life), and China Re (reinsurance). Two other firms, China Ping An and China Pacific are major players in the insurance sector. In life insurance, only American International Assurance (AIA) has established a significant market share in Shanghai, the primary market for foreign competitors. Currently, foreign non-life firms are obtaining branch licences, but are restricted to operations in a few cities, and to insuring foreign-invested enterprises. Foreign life companies may form only joint ventures (with 50 per cent or less foreign equity) or take equity positions of less than 25 per cent in Chinese firms. They are also restricted to certain localities. So far, China has been able to retain a monopoly position in reinsurance (Harner, 2000). Over the next five years, concurrent with China's accession to WTO, the Chinese insurance market will be increasingly liberalized and open for foreign participants. Many more non-life and life companies will be licensed to operate in China and geographic and market restrictions will be largely eliminated.

China has adopted a protective regulatory regime under which limits are placed on product and price competition. Strategically, the China Insurance Regulatory Commission (CIRC) aims to nurture the development of an insurance sector that is much stronger financially and more competitive domestically as well as internationally than it is at present. CIRC views the role of foreign insurance companies as that of assisting this process. At present, there is a high degree of uniformity in product, market, distribution and pricing strategies among companies in the insurance sector. This is largely due to historical reasons and the regulatory environment. In future, scope and demand will be sufficient to differentiate strategies. China's insurance market already resembles the west with the presence of foreign companies like AIG, Allianz Axa and others. Today China's insurance market holds life premiums accounting for some 65 per cent of the total premiums and non-life for some 35 per cent.

Telecommunications

China's commitments in telecommunications assume particular importance given the fact that China is expected to be the largest market for telecommunications in the world by 2010 (Pangestu and Mrongowius, 2002). These commitments allow foreign entry into a wide range of activities currently closed to foreign investment. Further, foreign investment will enter into a sector that was monopolized by China Telecom until 1994 and is currently dominated by a small number of state-owned firms.

In basic telecommunications, China has committed itself to the discipline of the WTO regulatory framework for telecommunications (WTO, 1996). These rules aim to ensure a competitive environment that allows interconnection between

systems under reasonable and non-discriminatory conditions and for universal services provisions. They also require the existence of a regulator independent of the telecom provider and set criteria for licensing of entry and allocation of scarce commodities such as the mobile telephone spectrum. In the context of a basic telecommunications system governed by the WTO regulatory framework, China's other GATS commitments cover value-added services such as voice mail and online information services, mobile voice and data services and domestic and international services such as private leased circuit services. Most of these services are initially subject to a combination of ownership restrictions and geographical restrictions within China. While the geographic restrictions will be phased out over several years, China is committed to allowing not more than 49 per cent foreign ownership in mobile telephone services though higher levels of foreign ownership is consistent with China's GATS obligations.

It is true that the key to China's growth in the services sector exports is held by its telecommunications sector. How it aims to achieve its optimal gains in this regard will further depend on how it carries further reforms in its state-controlled regulatory framework. Key issues in telecommunications reforms will include giving independence to the regulator, ensuring that interconnection works adequately and making pricing regulations more flexible. This is borne out by the latest trends as shown in Table 2.

The data provided in Table 2 indicate interesting trends with regard to China's exports. In the area of financial services, surprisingly China was not been able to export any financial services between 1990 and 1996. Only from 1997 onwards, it started exporting and during that year exports were to the tune of US\$ 27 million, very meagre compared to its total exports of US\$ 24,569 million during the same year. Similarly, during 1998, it witnessed the same amount of exports registering a 0.11 percentage share of the total exports. Somehow 1999 saw a marginal rise in its financial exports making around 0.42 percentage share of the total exports. Subsequent years have noticed a downslide in the exports and 2002 only registered a 0.13 percentage share of China's total exports.

In the Insurance sector, on the other hand, it becomes evident from Table 2 that exports shot up from US\$ 227 million in 1990 to US\$ 1,852 million in 1995, registering a share of 3.88 and 9.68 respectively of China's total service exports. The year 1995 saw a percentage growth of 149 compared to 1990. But the subsequent year, 1996, witnessed a major decline in exports from US\$ 1,852 million to US\$ 123 million only, registering a percentage growth of -93.80. The next six to seven years have seen marginal fluctuations in exports of insurances services. In the last decade, it was only during 1995 that exports of insurance services did phenomenally well compared to all the other years.

From Table 2 one can also observe that exports of communications services have almost followed a pattern similar to the insurance sector. In a particular year, i.e., 2000 this sector saw a remarkable rise in exports touching almost US\$ 1,345.45 million compared to US\$ 819 million and US\$ 590 million in 1998 and 1999 respectively indicating a percentage growth of 28.86 and 96.44 in each year.

Table 2
Exports of Services from China

Year	1990	1995	1996	1997	1998	1999	2000	2001	2002
Sector									(US\$ million)
Total services	5,855	19,130.3	20,601	24,569	23,895	26,248	30,430.5	33,334	39,744.5
Transport	2,706	3,352.09	3,070	2,955	2,300	2,420	3,670.96	4,635	5,720.21
	(46.22)	(17.52)	(14.90)	(12.03)	(9.63)	(9.22)	(12.06)	(13.90)	(14.39)
Travel	1,738	8,730	10,200	12,074	12,602	14,098	16,231	17,792	20,385
	(29.68)	(45.63)	(49.51)	(49.14)	(52.74)	(53.71)	(53.34)	(53.37)	(51.29)
Other services	1,411	7,048.21	7,331	9,540	8,993	9,730	10,528.5	10,907	13,639.3
	(24.10)	(36.84)	(35.59)	(38.83)	(37.64)	(37.07)	(34.60)	(32.72)	(34.32)
Communications	159	755.73	315	272	819	590	1,345.45	271	550.107
	(2.72)	(3.95)	(1.53)	(1.11)	(3.43)	(2.25)	(4.42)	(0.81)	(1.38)
Construction	-	-	-	590	594	985	602.313	830	1,246.45
				(2.40)	(2.49)	(3.75)	(1.98)	(2.49)	(3.14)
Computer and information services	-	-	-	84	134	265	355.947	461	638.167
				(0.34)	(0.56)	(1.01)	(1.17)	(1.38)	(1.61)
Insurance	227	1,852.14	123	174	384	204	107.802	227	208.944
	(3.88)	(9.68)	(0.60)	(0.71)	(1.61)	(0.78)	(0.35)	(0.68)	(0.53)

Table 2 continued

Table 2 continued

Year	1990	1995	1996	1997	1998	1999	2000	2001	2002
Financial services	-	-	-	27 (0.11)	27 (0.11)	111 (0.42)	77,804 (0.26)	99 (0.30)	51,0093 (0.13)
Royalties and licence fees	-	-	-	55 (0.22)	63 (0.26)	75 (0.29)	80,348 (0.26)	110 (0.33)	132,822 (0.33)
Other business services	918 (15.68)	3,740 (19.55)	6,859 (33.29)	8,263 (33.63)	6,941 (29.05)	7,410 (28.23)	7,663.02 (25.18)	8,448 (25.34)	10,418.9 (26.21)
Personal, cultural and recreational services	-	-	-	10 (0.04)	15 (0.06)	7 (0.03)	11,302 (0.04)	28 (0.08)	29,6741 (0.07)
Government services N.I.E	107 (1.83)	700.34 (3.66)	34 (0.17)	65 (0.26)	16 (0.07)	83 (0.32)	284,535 (0.94)	433 (1.30)	363,258 (0.91)
Memo item: commercial services	5,748	18,429.96	20,567	24,504	23,879	26,165	30,145.97	32,901	39,381.24

Source: UNCTAD Handbook of Statistics, 2003

Note: Figures in parentheses denote percentage share to total exports

Table 3
Imports of Services to China

Year	1990	1995	1996	1997	1998	1999	2000	2001	2002
Sector									(US\$ million)
Total services	4,352	25,222.8	22,585	27,967	26,672	31,589	36,030.6	39,267	46,528
Transport	3,245 (74.56)	9,526.11 (37.76)	10,312 (45.65)	9,945 (35.55)	6,763 (25.35)	7,899 (25.00)	10,396.1 (28.85)	11,325 (28.84)	13,611.9 (29.25)
Travel	470 (10.79)	3,687.63 (14.62)	4,474 (19.80)	8,130 (29.06)	9,205 (34.51)	10,864 (34.39)	13,113.7 (36.39)	13,909 (35.42)	15,398 (33.09)
Other services	637 (14.63)	12,009.1 (47.61)	7,799 (34.53)	9,892 (35.37)	10,704 (40.13)	12,826 (40.60)	12,520.8 (34.75)	14,033 (35.73)	17,518.1 (37.65)
Communications	13 (0.29)	217.43 (0.86)	134 (0.59)	290 (1.03)	207 (0.77)	193 (0.61)	241.97 (0.67)	326 (0.83)	470.419 (1.01)
Construction	-	-	-	1,209 (4.32)	1,120 (4.19)	1,540 (4.87)	994.444 (2.75)	847 (2.15)	963.861 (2.07)
Computer and Information services	-	-	-	231 (0.82)	333 (1.24)	224 (0.70)	265.013 (0.73)	345 (0.87)	1,132.85 (2.43)
Insurance	94 (2.15)	4,273.32 (16.94)	233 (1.03)	1,045 (3.73)	1,758 (6.59)	1,921 (6.08)	2,471.42 (6.85)	2,711 (6.90)	3,245.74 (6.97)

Table 3 continued

Table 3 continued

Year	1990	1995	1996	1997	1998	1999	2000	2001	2002
Financial services	-	-	-	325 (1 16)	163 (0 61)	167 (0 52)	97 441 (0 27)	77 (0 19)	89 8417 (0 19)
Royalties and licence fees	-	-	-	543 (1 94)	420 (1 57)	792 (2 50)	1,280.97 (3 55)	1,938 (4 93)	3,114 (6 69)
Other business services	291 (6 68)	6,930.12 (27.47)	7,216 (31.95)	5,962 (21 31)	6,459 (24.21)	7,333 (23.21)	6,959 36 (19 31)	7,504 (19 11)	7,956.95 (17 10)
Personal, cultural and recreational services	-	-	-	44 (0 15)	39 (0 14)	34 (0 10)	37 424 (0 10)	50 (0 12)	96 0239 (0 20)
Government services N I E.	239 (5 49)	588.21 (2 33)	216 (0 95)	243 (0 86)	205 (0 76)	622 (1 96)	172 757 (0 47)	235 (0 59)	448 4 (0 96)
Memo Item:	4,113 (94 50)	24,634 59 (97.66)	22,369 (99.04)	27,724 (99.13)	26,467 (99 23)	30,967 (98 03)	35,857 84 (99 52)	39,032 (99 40)	46,079.6 (99 03)
commercial services									

Source: UNCTAD Handbook of Statistics, 2003.

Note: Figures in parentheses denote percentage share to total imports.

The question then arises about China's import of services. As shown in Table 3, between 1990 and 1996, China's imports on financial services was nil. The year 1997 witnessed a total of US\$ 325 million, having a percentage share of 1.16 of the total imports of US\$ 27,967 million. Subsequent years saw a decline in imports of financial services, registering about US\$ 89.85 million in 2002. In the case of insurance, China's imports have increased dramatically from US\$ 94 million in 1990 to US\$ 4,273.32 million in 1995, securing 16.94 per cent of total imports in that year. Surprisingly 1996 registered only US\$ 233 million witnessing a mere 1.03 per cent of total imports of that year and a negative percentage growth of 93.91 vis-à-vis 1995. From 1997 onwards till 2002, there has been a consistent rise in the imports of the insurance sector. Imports during 2002 amounted to US\$ 3,245.74 million, constituting 6.97 per cent of total imports in that year. With regard to communication both telecommunications and postal services in 1990 China registered only US\$ 13 million of imports in the sector, whereas in 1995 it touched US\$ 217.43 million contributing 0.86 per cent of the total imports of China in that year.

Impediments to Fulfilment of Accession Commitments

The overall accession commitments mean that the discretionary powers of the Chinese government would get diluted as the country makes an attempt to fulfil its commitments over a period of three to four years from now. China has undertaken to remove most of its restrictions relating to foreign entry and foreign ownership. It will stop discriminating between trading partners and not even favour its own domestic firms. In totality, it is committed to follow a free, fair rule based trading system. What China is going to lose most importantly in the wake of all these developments is its freedom to exercise its own option at any point of time.

It is a matter of fact that the process of liberalization is slow because the Chinese government is reluctant to liberalize certain areas. Socio-economic factors and political pressures from various quarters hold it back and as a result protection still continues. The government even feels certain incumbent domestic enterprises or suppliers are unable to cope with or face the challenges of liberalization. All these may lead to some form of protection as it will be difficult to abolish protectionist measures. In many developing countries this has been a problem and it is attributed generally to the inefficiency or inability of the government. Therefore, the binding commitments advocated by GATS to provide market access by a precise future date may become a catalyst in overcoming the credibility problem.

Discrimination seems to be an integral part of international trade operations. As more and more countries open up their sectors, favouritism, practised by some trading partners towards some foreign companies or towards some domestic firms, often results in biased market access or cost distortions. Accession commitments set out by WTO play a crucial role in minimizing these practices. The two vital measures of non-discrimination under GATS are MFN and National Treatment obligations. Through these measures a country is supposed to eliminate

discriminations. However, both allow exceptions to be listed while conducting or promoting trade. The only exception listed in the case of China is in the area of international maritime transport, by way of cargo sharing with certain trading partners, just as joint ventures or wholly owned subsidiary are permissible on the basis of bilateral agreements (Report of the Working Party on the Accession of China, 2001). In future there would be little scope for discrimination since China has become a WTO member and is automatically committed to providing full market access and national treatment on cross-border supply.

Another significant contribution would be in the multilateral trading system which aims to possibly eliminate barriers to entry. Though China has agreed to remove all restrictions on foreign entry, the government remains somewhat ambivalent about the nature and scope of foreign entry. What is uppermost in the government's mind is whether an unrestricted regime will be good for China. China's apprehension possibly is that an unrestricted foreign entry may just completely swallow the Chinese market as domestic firms are not equipped to provide better or quality services at a competitive price. Another reason is the issue of economies of scale. For example, in a vibrant services sector like telecommunications, if one domestic firm has worked out substantial fixed costs of networks, competitive bidding by a foreign entry could lead to some kind of an inefficient network duplication (Armstrong et al., 1994). But, in a technologically driven world where technology can even minimize the cost at some level and openness in the system allows a country to have better technological leverage how can a country stop all these and progress with its obsolete technologies? The power and spirit of competition is already yielding better results. Besides, entry restrictions do not develop a sense of competition among the local firms or incumbents; rather they create an atmosphere of complacency or sometimes lead to collusion, which ultimately results in unproductivity and inefficiency. More importantly, sometimes even the regulator is not a match for the firms operating in the market in ensuring that they price products or provide the best possible services. All this suggests that China may not worry about opening up its sector or restricting foreign entry.

Restriction on foreign ownership is proving to be a major hindrance in the liberalization of trade services in China. The only way of administering foreign presence is entry through a joint venture with varied limits on the extent of foreign ownership. China has undertaken a series of reforms in gradually phasing out those restrictions but such restrictions still persist in the areas of life insurance and telecommunications. What could be the rationale behind such restrictions and what are their implications? Entry through a joint venture appears to be a positive step even for foreign firms. Initially they can collaborate with a local firm which will have minimum assets and they will find an access to it. But binding ownership restrictions will affect the firm performance because the firm would not be in a position to obtain new technology and better manpower to improve its performance. The Chinese policy relating to restrictions on foreign ownership continues to be a major concern essentially for two reasons, economic and political.

Economic considerations relate to extending limited ownership by which they will be able to ensure an efficiency-cum-enhancing cost and services factor. The political angle implies that there is a huge adjustment cost involved so that an immediate transfer of ownership would lose control of the firm, which ultimately could lead to drastic reduction in surplus labour. The Chinese government very well realizes the implications in the form of a major social backlash. But the liberalization on the other process promises to provide a better service by not developing a monopolistic scenario encouraging a competitive environment by introducing a whole range of firms competing to provide quality service.

Geographical locations have been a key feature of China's trade liberalization policy. The southern parts or the coastal regions which have a major concentration of export processing zones (EPZs) have steered China's major economic drive in the last two decades. The four main coastal provinces, namely Guangdong, Jiangsu, Fujian and Shanghai have been the major recipients of the total outward foreign investment and the remaining has gone to other or adjoining coastal regions. With the help of foreign direct investment, China has developed a robust manufacturing sector and its exports have increased significantly. With the onset of economic reforms, the overall standard of living among people in China has increased in the last two decades. However, this marked development has been mostly confined to the southern or coastal regions of the country. In the rest of the country people, mainly those living in the inland areas, still suffer from acute poverty. It is a clear-cut North-South divide. This may be largely attributed to the factor of interconnectivity among the regions. Inadequate physical infrastructure, especially roads and the transport system and internal service systems such as the telecommunications network were in a bad state till 1990. As a result, the gains of economic activity could never reach out to the entire population; in fact, the entire population could hardly participate in such activities. It is only in the mid-1990s that the government initiated certain policies to bridge the regional economic disparity by trying to put an efficient infrastructural and internal system in place. As the country is too vast and without proper inland connectivity, providing better services in terms of courier and mail were also difficult. It is mostly agreed that an inefficient transport system was the major binding constraint in the better integration of China's inland economy (*Beijing Review*, 16 November 1994).

Further, the geographical limitation has impeded China's uniform growth. This limitation on liberalization commitments is going to further widen the intra-regional disparities. Though China has committed to phasing out geographical restrictions, a gradualist approach may prove even more damaging in the long run. The existing pockets of development are going to witness even more progress as more economic activities are going to be concentrated in these areas. With liberalization occurring in the hinterland in due course, one is not so sure whether the hinterland economy will be able to adjust to the pace of progress that would have occurred in the coastal belt as disparities may persist. These considerations should impel the Chinese government to lift the geographical restrictions simultaneously rather than sequentially.

Options for Future Reforms

The above discussion points out that accession commitments and its fulfilment are beneficial for a country like China. Given its size, a huge burgeoning middle class having a high purchasing power, with a great amount of infrastructural development and an earnest drive towards modernization, China can achieve spectacular success from its ongoing liberalization process. To make the best use of a liberalized economy that it was committed to after becoming a WTO member, China needs to put an effective regulatory network in place. This requires a series of reforms to be undertaken in the immediate future. As the services sector is too dynamic (changing too fast) a strong, flexible domestic regulatory body is very much essential to tackle key issues such as destabilization in the market, asymmetrical and inadequate consumer information, developing monopolistic tendencies and to ensure fair and equitable access.

First, 'regulatory reform should come in the area of physical infrastructure like roads and railways for land transport and other specialized distribution networks like cable and satellite telecommunications (UNCTAD and the World Bank, 1994). Unless a thorough regulatory mechanism is created the market is going to witness some disturbance as existing firms may not allow competition to set in and deny competitors access to essential facilities. Second, in China as services markets open, due importance needs to be given to equipping consumers with quality information in intermediate and knowledge based services. Normally in a large market consumers may not find appropriate information about the kind of service that they are buying. For example, a consumer may not easily assess the competence of a professional such as a doctor or a lawyer or the effectiveness of a hospital or services of a transport system. Further, obtaining that information from other sources is not only difficult but may also be quite expensive. In such a situation an effective regulatory body can take care of the increasing demand of social welfare.

China remains very cautious while opening up its essential services to foreign or domestic competition. As these services are accessed largely by the poor sections of society, competition may adversely affect ordinary people. That is the reason why persistence of monopoly continues. To mitigate this crisis, however, China has a regulation strategy/policy with a social face. Wherever China is weak in providing services to its poor people, competition and liberalization are going to reduce domestic prices and provide improvement in quality. The pre-liberalization prices are not determined by the market, rather they are set administratively and therefore kept purposely low for end users like those in rural areas. Thus rural people pay lower prices compared to their urban counterparts especially in the telecommunication and transport sectors. Such innovative methods may be adopted more by China in the future to avoid any kind of social disturbance happening in the wake of liberalization.

Conclusion

In conclusion, China's GATS commitments are a major initiative towards its liberalization programme. By the end of 2007 it promises to lift all forms of restrictions as far as market access to its territory is concerned. This is an encouraging sign for the trading partners who are all waiting and who are genuinely interested in establishing and nurturing a continuous trading relationship with China. By and large, the commitments will allow China to gain many benefits. Complementary reforms required in the appropriate areas which have already been initiated will help in the setting up of an efficient regulatory body to supervise equitable market access and a hassle-free environment.

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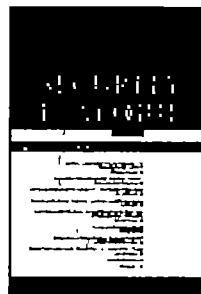
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China and Asia-Europe Cooperation

Yang Baoyun

Even though relations between Asia and Europe remained largely unexplored during most part of the period following the Second World War, the end of the Cold War has created conditions for better relations between the two. The Asia-Europe Meeting (ASEM) provides the most important basis for cooperation between the two continents. China is taking keen interest in this regard by initiating steps towards deepening the Asia-Europe partnership, thanks to globalization. From a Chinese perspective, the cooperation promotes its own economic reforms programme. Asia-Europe cooperation also facilitates the security dialogue between ASEAN-EU and China. That the US at times becomes a factor in affecting China-EU relations is a matter of concern for both the sides. An important area of cooperation relates to the establishment of a new multipolar international order.

Asia and Europe have had very close historical links. But since the end of the Second World War, the relations between the three most important continents—Asia, North America and Europe—have largely remained unbalanced. In the triangle, relations between Asia and Europe have not developed as much as they have between Asia and America, or even America and Europe.

With the end of the Cold War globalization became a new trend in international relations. A large number of Asian and European countries and regional organizations are actively working for the establishment of the new multipolar international order. As the Cold War power structure wherein two super powers, the US and USSR, dominated the international scene collapsed and a new era where the US became the predominant world power, political leaders of Asia and Europe realized the importance and the urgency of strengthening bi-continental cooperation. In this process, China is taking a keen interest and is interested in advancing the goal of deepening the Asia-Europe partnership for building a new world order.

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China's Engagement with Asian and European Regional Organizations

The most important basis of cooperation between Asia and Europe is the Asia-Europe Meeting (ASEM), focusing on the participation of the two regional organizations: Association of Southeast Asian Nations and European Union (EU). China is optimistic about the role of these two bodies in promoting cooperation between Asia and Europe. With a cumulative population of 2.4 billion ASEM as of 2004 accounts for a half of the global gross domestic product and 40 per cent of world trade.

China and ASEAN

China-ASEAN relations began with the political resolution of the Cambodian problem during the 1980s. Since the end of the Cold War, these diversified into the fields of politics, economy, culture and security.

In July 1991, Chinese Foreign Minister Mr Qian Qichen was invited for the opening ceremony of the Twenty-fourth ASEAN Post Foreign Ministerial Meeting. In 1995 an ASEAN-China Senior Officials Political Consultations mechanism was set up and both the sides began a dialogue on political and security issues. Through this mechanism China reinforced the understanding with and confidence in the political and security matters of ASEAN. In July 1996, the status of China was upgraded from a consultative dialogue partner of ASEAN to that of a full dialogue partner and the ambassadors of ASEAN member countries in China set up the ASEAN Committee in Beijing (ACB). With this bilateral relations between China and ASEAN entered a new stage.

In December 1997, Jiang Zemin, President of the People's Republic of China and ASEAN leaders held their first ever summit and issued a joint statement in which they announced their decision to establish a twenty-first century-oriented partnership of good neighbourliness and mutual trust between China and ASEAN. The joint statement provided a framework for all-round and in-depth development of relations between the two sides. This summit put in place a mechanism of unofficial meetings of ASEAN-China (10+1) to achieve speedy development of bilateral relations. Subsequently China signed or announced bilateral cooperation plans with all ten ASEAN countries. During the ASEAN Summit in October 2003, China became the first non-ASEAN member to adhere to the Treaty of Amity and Cooperation in Southeast Asia and signed a Joint Declaration of Strategic Partnership Facing the Peace and Prosperity with ASEAN, thus becoming the first strategic dialogue partner of ASEAN. These initiatives assumed great economic and political significance for further consolidating relations between the two sides.

China considers ASEAN as a very active regional organization. In recent years, China and ASEAN have supported each other in multilateral and regional fora such as the Asia and Pacific Economic Cooperation Organization, Summit of ASEAN Plus Three (China, Japan and Korea), Forum of ASEAN, Asia-Europe Meeting (ASEM) and the United Nations. The cooperation between the two has

gone a long way in safeguarding the interests of developing countries, promoting mutual understanding and trust among the countries in the region and maintaining regional peace and economic development.

Trade and economic relations between the two sides have shown marked improvement. Since 1997, the trade volume between the two parties has increased by 20 per cent every year. According to Chinese customs statistics, the trade volume between China and ASEAN has increased very fast and it has reached US\$ 78.252 billion accounting for 9.19 per cent of total amount of Chinese foreign trade. In the first ten months of 2004, it reached US\$ 84.614 billion registering an increase of 35.2 per cent compared to the same period in the previous year.¹

While ASEAN is the fifth major trade partner for China, China is the sixth for ASEAN. To further promote bilateral trade, Chinese Premier Wen Jiabao has suggested that the target for 2005 should be US\$ 100 billion. According to the statistics of Chinese customs, the trade volume is all set to achieve this target.² At the same time, both the sides are focusing on mutual investment joint venture projects and cooperation in the services sector.

In 2002, both the parties signed the Framework Agreement of Full Economic Cooperation aimed at establishing the China-ASEAN Free Trade Area (CAFTA) by 2010. This will be the first East Asian free trade area within the global trade system. This free trade area will cover 1.7 billion people with a total GNP of nearly US\$ 2,000 billion. It will account for a total trade worth US\$ 1,200 billion and process approximately 40 per cent of global foreign exchange reserves (Baoyun, 2004a). Negotiations have made good progress with China signing three agreements with ASEAN members at the Vietniane Summit in November 2004.³ ASEAN, on its part recognized China as a full market economy.

With the efforts of Chinese and ASEAN leaders, the cooperation between the two sides has been given a proper institutional shape in the form of regular summit meetings, foreign ministers' meeting and China-ASEAN Senior Officials' Political Consultations. Besides, there are also the ASEAN-China Joint Cooperation Committee (ACJCC), the China-ASEAN Joint Committee on Economic and Trade Cooperation (ACJCETC), the China-ASEAN Joint Committee on Science and Technology (ACJCST), the ASEAN Committee in Beijing and the China-ASEAN Trade Council, etc. ACJCC functions as the nodal agency to promote cooperation among all these bodies within the broader general dialogue framework.

A notable long-term foreign policy objective of China is to consolidate the strategic partnership with ASEAN to promote political stability and economic growth. In this regard China's adherence to the principle of equality and mutual

¹ http://fec.mofcom.gov.cn/article/200502/20050200356827_1.xml

² http://fec.mofcom.gov.cn/article/200502/20050200345105_1.xml

³ They are: the Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic cooperation Between ASEAN and the P.R.C.; the Agreement on Dispute Settlement Mechanism Between ASEAN and the P.R.C. and the smooth implementation of the FTA Early Harvest Programme

trust will ensure a win-win situation for both the sides. In line with this principle, the Chinese government will further deepen its strategic partnership with ASEAN and push forward multidimensional cooperation based on mutual benefit and reciprocity. At the political level, China proposes to increase high-level exchanges to enable the dialogue and cooperation mechanisms at various levels to play a more effective role. It seeks to strengthen cooperation in the field of non-conventional security including maritime security and the implementation of the Declaration on the Conduct of Parties in the South China Sea. The Chinese side is favourably inclined to have a special meeting with ASEAN at the level of senior officials and set up a working group in order to launch cooperation in the South China Sea as early as possible. At the economic level, China proposes closer cooperation on customs, inspection and quarantine with ASEAN. It also proposes to put in place a ministerial dialogue on energy cooperation with ASEAN and make full use of the 10+3 ministerial meeting on energy cooperation to stabilize energy supply and ensure transport security (Wen Jiabo, 8 October 2004).

China and European Union

China has also paid great attention to its relations with EU by closely following its positions on key issues in international affairs consistently supporting European integration. On 1 November 1983 China set up official ties with the European Coal and Steel Community and Euro-atom. Nearly five years later in May 1988, a representative office of the European Committee was set up in Beijing. In recent years, relations between China and EU as well as its member countries have subsequently improved through high level visits and contacts. In 1994 the Sino-European political dialogue and consultation mechanism was set up. In April 1998 the Sino-EU Summit was held (London) for the first time and a joint communique issued on the occasion underlined their interest in developing a stable and long-term Sino-EU partnership through an annual summit to jointly address the problems of the twenty-first century. Both parties regularly exchange views concerning varied issues such as economic and trade cooperation, cooperation against illegal immigration, human rights and the Taiwan issue, etc.

EU has adopted a constructive policy towards China. In its Long Term Policy on China-Europe relations EU unveiled a New Strategy towards China in November 1996. In June 1998, EU Foreign Ministers' Council, while approving an updated approach for building a comprehensive partnership with China characterized the relations with China on par with the United States, Japan and Russia. Further, economic and trade relations as well as technical cooperation between China and EU have registered rapid development. In 1985, China and EU signed the Trade and Economic Cooperation Agreement. EU is the third largest trading partner of China, only next to Japan and the United States. In 2002, China overtook Japan, and became for the first time the third trade partner of EU. According to the data provided by the Chinese Ministry of Trade, the trade volume between China and EU for the first three quarters of 2003 stood at US\$ 89.06 billion more

than the total trade volume which stood at 86.76 billion Euros during 2003. In 2004, this volume reached US\$ 150 billion with the enlargement of EU members from 15 to 25. EU became China's largest trading partner while China became EU's second largest trading partner, just after the US. EU is the fourth largest direct investor in China. At the end of 2004, there were 19,193 European enterprises in China, and the total amount of actual investment reached US\$ 41.74 billion. EU also plays a crucial role with regard to technology transfer. In March 2000, the first China-EU science and technology cooperation steering committee was held in Brussels. Both sides underlined the necessity of strengthening scientific and technological cooperation in the Fifth Frame Plan of Research and Development. Up to the end of October 2004, China had imported 18,530 techniques from EU and the total contracts amounted to around US\$ 80 billion.⁴ The agreement on technical cooperation in satellite navigation (Galileo) signed in October 2004 enabled China to become the first non-EU country to fully participate in the community framework. Further, China and EU are enlarging the scope of cooperation to new areas like personnel training, economic reform, marketing promotion, environmental protection, agriculture and poverty alleviation, etc. Since 1995 EU has been providing around 65 million Euros annually.

China's Approach to Asia-Europe Cooperation

Recognizing the power of the parallel processes of economic globalization and regionalization, China has maintained a positive attitude towards inter-regional cooperation between Asia and Europe. Tang Jiaxuan, China's former Foreign Minister has welcomed the establishment of the Asia-Europe cooperation mechanism as an encouraging step aimed at a multipolar world. At the same time it was hoped that the mechanism would function on the basis of mutual respect, tolerance of diversities and resolution of issues through mutual understanding and dialogue. In the words of the Chinese Foreign Minister, "Such a move is conducive to the democratic process of international relations and in line with the current trend as well as the long-term benefits of the two continents and the people of the world", and "it is welcomed by the international community, is sure to contribute to the world's peace, stability, development and prosperity and will have a far-reaching effect on the establishment of a fair and rational, international political and economic order".⁵

The active participation of China to advance the cause of Asian-European inter-regional cooperation within the ASEM mechanism, is mainly based on the following reasons

First, the Asia-Europe cooperation mechanism could play a key role in international affairs in the post-Cold War era. For a long time in the past Europe and the US had very close links and they set up the Trans-Atlantic Free Trade

⁴ http://news.xinhuanet.com/fortune/2005-01/06/content_2424728.htm

⁵ "Foreign Minister on Asia-Europe Cooperation", *China Daily*, 24 May 2001.

Area (TAFTA). Likewise East Asia and North America also maintained close relations, thanks to the establishment of APEC. Compared to this, interactions between Asia and Europe lag behind. Now ASEM has been able to establish close links between these two continents and reinforces (triangle relations among) East Asia's linkages with West Europe and North America. At the same time, it provides an excellent international environment for China's modernization programme.

Asia-Europe cooperation promotes economic reforms in China and the opening up of its economy. The participation of China in Asia-Europe economic cooperation has impelled it to further open its market to ASEAN and EU member countries. Such interaction has facilitated the transfer of advanced technology, equipment and management practices by EU to ASEAN members and to China. China has also been able to export its products to European and Southeast Asian countries. In addition, the development of such cooperation could be of great help in absorbing foreign capital and promoting reforms of its economic system.

Asia-Europe cooperation also promotes the security dialogue between ASEAN-EU and China. Within the framework of the ASEAN Forum and the EU security dialogue mechanism, they support each other on such issues as regional security, conflict resolution, peaceful uses of nuclear energy and non-proliferation of nuclear weapons. They also seek to strengthen cooperation in the fields of non-conventional security such as environment protection, drug trafficking, trans-border crimes and terrorism.

Fourth, Asia-Europe cooperation is helpful to the expansion exchange in culture, education, science, human resources development and related areas (Baoyun, 2004b: 15-29).

However, it needs to be mentioned here that although ASEM offers an extremely important framework to advance cooperation between Asia and Europe, it is not the only mechanism for achieving such an objective. A great deal of bilateral or multilateral exchanges take place between different countries and the regional organizations of Asia and Europe. China also actively supports such exchanges provided they help in the promotion of regional and global peace, stability and development.

China and ASEM

China showed keen interest to support and strengthen the ASEM framework by participating in almost all the conferences at the highest level. In the past years Chinese Premier Li Peng attended its first summit while Premier Zhu Rongji has attended the three subsequent conferences. Wen Jiabao, the Chinese Premier attended the fifth Asia-Europe Meeting held in Vietnam in October 2004. Chinese ministers have been attending ministerial level meetings such as ASEM Foreign Ministers Meeting (FMM), ASEM Economic Ministers Meeting (EMM), ASEM Finance Ministers Meeting (FNMM) and ASEM Science and Technology Ministers Meeting. China itself has hosted several Asia-Europe Ministers meetings and taken an active part in follow-up activities.

Further, China always believes that the fundamental basis of Asia-Europe cooperation is economic and trade cooperation. Indeed, China maintains a strong and growing economic and trade relationship with most ASEAN and EU member countries. When Chinese Premier Li Peng attended the First Asia-Europe Summit in Bangkok, he pointed out clearly that Asia-Europe cooperation should emphasize economic cooperation as an important base of Asia-Europe partnership relations.⁶ Chinese Premier Zhu Rongji declared even more clearly at the second Asia-Europe Summit that exchanges in the field of economy and trade should be enlarged further to strengthen ties. Each country should play its own constructive role through various channels of cooperation. Such cooperation should not only facilitate the involvement of big enterprises but also extend to include small- and medium-sized enterprises. He stressed the necessity of increasing the level of actual investment and removing trade barriers so as to raise bilateral economic cooperation to a higher level.⁷ Again at the Third Asia-Europe Summit he emphasized that Asia and Europe should properly evaluate their potential in fields such as economy and trade, finance and science and technology so as to work out joint strategies for mutual benefit.⁸ At the Fourth Asia-Europe Summit, he stressed the importance of opening up the markets to increase the volume of trade and investment. He also underlined the importance of coordination in international trade to prevent any form of trade protectionism.⁹ In October 2004, Chinese Premier Wen Jiabao also supported the Summit's focus on economic and trade cooperation and the Declaration on Closer ASEM Economic Partnership.¹⁰

China has put forward a set of suggestions and cooperation projects to further economic cooperation between these two continents. These proposals have received wide attention. At the same time, China has also actively participated in political dialogue and cultural exchanges between Asia and Europe. Chinese leaders have emphasized many a times that the Asia-Europe Meeting should be a good forum for consultation on regional, international and United Nations issues. It can also provide a framework for cooperation in the fields of science, environment protection, culture and education. For example, Chinese Premier Zhu Rongji urged them to reinforce the process of political dialogue and consultation to tackle the menace of terrorism; he suggested dialogue between Asian and European civilizations to facilitate mutual understanding among the Asian and European peoples. He expressed China's willingness to host seminars on problems of terrorism and also on civilization and culture.¹¹ Recently, Chinese Premier Wen Jiabao

⁶ Li Peng's Speech at the First Asia-Europe Meeting, *Xinhua News Agency*, 1 March 1996

⁷ Zhu Rongji's Speech at the Second Asia-Europe Meeting, *Xinhua News Agency*, 3 April 1998.

⁸ "Zhu Rongji's Speech at the Third Asia-Europe Meeting, *Xinhua News Agency*, 20 October 2000.

⁹ "Zhu Rongji's Speech at the Fourth Asia-Europe Meeting, *Xinhua News Agency*, 23 September 2002.

¹⁰ Wen Jiabao's Speech at the Fifth Asia-Europe Meeting, *Xinhua News Agency*, 8 October 2004

¹¹ Zhu Rongji's Speech at the Fourth Asia-Europe Meeting, *Xinhua News Agency*, 23 September 2002.

submitted four proposals at the Fifth Asia-Europe Meeting to further strengthen Asia-Europe cooperation. These are: first, Asia and Europe should deepen mutual trust through dialogue and consultation; second, the two should increase economic exchanges and promote regional economic growth and common prosperity; third, enhance cooperation and coordinate their efforts for the economic and social development in other countries; and, fourth promote inter-civilization dialogue and cultural exchanges in recognition of their cultural diversities.¹² These suggestions were accepted by the conference.

Since the First Asia-Europe Meeting, the Chinese government has been emphasizing five basic principles to build up a new partnership between Asia and Europe. These are: mutual respect and equal treatment; emphasis on commonalities and tolerance of differences, promotion of mutual understanding and mutual confidence; thrust on mutual benefit and help; and focus on future projects to achieve overall development.

It goes without saying that China will continue to strengthen its relationship with ASEAN and EU to promote cooperation between Asia and Europe.

China and EU continue to contribute towards the promotion of peace, security and sustainable development throughout the world, with the United Nations at its core. They have reaffirmed their commitment to the fight against terrorism and reiterated that anti-terrorism measures need to be in accordance with the purpose and principles of the UN Charter and the norms of relevant international laws and should fully respect human rights. China and EU have also signed the Joint Declaration on Non-proliferation and Arms Control whereby they recognize each other as a major strategic partner in the area of disarmament and non-proliferation. The two sides would remain committed to strengthening cooperation on international and regional issues of common interest. For example, China and EU would continue to work towards a political resolution of the nuclear stand-off with Iran.

China and EU will continue to make substantial progress in a number of trade issues through bilateral consultations, in particular the lifting of trade restrictions and intensifying efforts to fight violations of Intellectual Property Rights. China and EU remain committed to discussing the issue of according full market economy status to China for deepening relations between the two sides and a working group to identify a practical solution to this issue will be created.¹³

China and EU would continue to work hard to resolve the existing problems between the two sides. Take for example, the issue of the EU arms embargo against China. In the past, China and EU have regularly discussed this subject but have not been able to find a solution because the United States has voiced strong opposition to the lifting of the weapons embargo. The US argues that European weapons sales to China could transfer hi-tech military know-how to China, thus disturbing the military balance in Asia. EU has reiterated its willingness to work

¹² Wen Jiabao's Speech at the Fifth Asia-Europe Meeting, *Xinhua News Agency*, 8 October 2004.

¹³ Refer to the Joint Statement of the 7th China-EU Summit, *Xinhua News Agency*, 9 December 2004.

towards lifting the embargo. Since the beginning of 2005, this issue has moved in a positive direction. On his visit to Beijing, EU trade chief, Peter Mandelson criticized a fifteen-year-old European arms embargo on China asserting that it was time to lift the ban given the rapidly developing relations between the two sides.¹⁴ On the problem of human rights, the mechanism of the China-EU human rights dialogue has promoted mutual understanding with both the sides agreeing to continue this dialogue, while making efforts to achieve more meaningful and positive results on the ground. China and EU have also underlined that activities relating to people-to-people exchanges and cooperation in combating illegal migration remain a priority for both the sides.

The Chinese remain very concerned about the progress of EU integration and hope that EU can maintain independence even while opening to the outside world. China hopes that Europe could share the willingness of Asian countries to promote economic development and enlarge regional cooperation within the framework of a country's given political system. It is confident that under the joint efforts of all the member countries of the Asia-Europe Meeting, Asia and Europe will fully utilize the historical opportunity under the changed international situation and move together towards progress and development in the twenty-first century.

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¹⁴ "EU trade chief criticizes arms ban on China", *Xinhua News Agency*, 27 February 2005.

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INDIAN DEMOCRACY

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RAJENDRA VORA & SUHAS PALSHIKAR

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India's Border Dispute with China: Revisiting Nehru's Approach

Parshotam Mehra

Long before he assumed office, Jawaharlal Nehru envisioned the friendliest of ties between India and China working together for a resurgent Asia. Despite the Tibet issue, India did its best to rehabilitate Mao's China in the comity of nations. The early 1950s witnessed a shortlived euphoria of Hindi-Chini bhai-bhai and Panchsheel. Tibet apart, India's northern frontiers became a matter of unseemly controversy in the late 1950s. The 1962 war made matters worse. China insists that the border conflict with India was not of its making. Chinese leadership held that Nehru was determined to establish a greater Indian empire even as the Raj had done. Nehru's India was accused of harbouring the ambitions of a regional hegemon in order to block China's natural and rightful relations with its neighbours. India, for its part, has been equally clear that China's political culture admits no compromise on the use of military power to regain what it deemed its domain. No wonder that the border issue has, to date, remained unresolved.

India's border dispute with China remains largely unresolved, even though its earlier volatility has largely disappeared and serious efforts are afoot, both at the broader political as well as the local military level, to sort things out. The initial rhetoric about the resolution of the dispute as a necessary precondition to an improvement of relations between the two countries has virtually died down.

The beginning of the conflict had much to do with problematic Sino-Indian relations in the early 1950s. China's "liberation" of Tibet (1950–51) led to acrimonious exchanges with India insisting that the use of force in resolving the issue was far from desirable. Sharply worded, Beijing's retort was unmistakable in its intent. Tibet was, it insisted, a domestic problem of China which would tolerate no interference in its internal affairs. Therefore, Tibet has been "central" to relations between China and India. Similarly by the end of the decade India's reaction to the March (1959) rebellion in Lhasa and the flight of the Dalai Lama marked an important stage in a sharp deterioration of relations between the two countries leading to China's October 1962 assault on Indian positions on the frontier.

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Nehru's overall policy was one of befriending China so as to ensure that under the leadership of India and China there was peace in Asia. An allied goal was to keep the west, especially the US, away from meddling in Asian affairs. The Indian Prime Minister was very much aware of his country's lack of military capabilities to challenge China. This largely explains his soft approach—what his critics have dubbed a policy of appeasement towards China. To start with, he was unwilling to embarrass Beijing by lending any overt support to Tibet's cause at the UN—partly because of French and Portuguese colonial pockets that still existed on Indian soil and partly to continue with New Delhi's role as a mediator in the Korean crisis (1950–53). In the event, he helped to soft-pedal the issue. That was not all. For he was also strongly supportive of Beijing taking its rightful place in the UN Security Council and even though offered by Washington on a platter as it were, resisted the temptation of taking China's place on the most powerful UN body. Furthermore, he fought for Beijing's active participation in the negotiations at San Francisco for a peace treaty with Japan (1950–51). Again, he refused to condemn Beijing when its troops crossed the Yalu River in the course of the Korean War (Mehra, 1956: 3–22).

For the record though, Nehru gently criticized China for its occupation of Tibet but failed at the time to realize the true import of the geographical and strategic consequences flowing from China's incorporation of the land of the Lama in its vast domain. As noticed, Nehru lent the Tibetan ruler little countenance nor did he deem it possible or perhaps even desirable, thanks partly to Whitehall's pusillanimity, to raise the question at the UN (Sakya, 1999: 523–71; Norbu, 1997: 1,078–95).

Divergence in Nehruvian and Maoist Approaches

It is hardly necessary to underline that friendship with China was the cornerstone of the whole edifice of Nehru's world view and the broad structure of the policy that Nehru envisioned. His numerous critics and detractors notwithstanding, he placed great trust on the "Chineseness" of Mao's Red China, its national pride and its Asianness. It is also to his abiding credit that despite rebuffs, the Indian Prime Minister worked tirelessly for amity—not enmity—towards India's great neighbour.

Nehru's voluminous writings do not convey any clear concept of a political India or of India as a modern state. Instead they give an imprint of a vaguely defined civilizational, cultural, geographical whole, by no means a spatially finite entity. When India emerged as an independent nation, its territorial composition was still in the making. In sharp contrast, Mao's concept of China was not so much civilizational as political and therefore territorial. Again, by the time the Chairman proclaimed PRC in October 1949 he had taken concrete steps to convert its erstwhile frontiers into the limits of its sovereign space; the recovery of these territories becoming the primary goal of his foreign policy. Nehru's reaction to Mao's "liberation" of Tibet was three-pronged. To begin with, he declared that

the McMahon Line was India's non-negotiable boundary on the northeast: "map or no map." Oddly though, there was no such pronouncement with regard to Ladakh. All the same, Nehru did draw his security frontier along the Himalayan range, including Nepal, Bhutan and Sikkim within the Indian orbit.

The euphoria of "Hindi-Chini bhai-bhai" subsided in the mid-1950s. From 1956 onwards, the divergence of Indian and Chinese approaches to the border question gained salience; by late 1959 they had become well-nigh irreconcilable. The revolt in Tibet and the flight of the Dalai Lama with its inevitable concomitant of China's military presence close to the McMahon Line heightened India's security concerns. The failure of the April 1960 Zhou-Nehru talks in New Delhi doomed the chances of evolving a common approach. India's historical boundaries in Nehru's considered judgement were both "legal and therefore sacrosanct". China's approach, on the other hand, with the "historical grievance" it had long nourished as a backdrop, rested squarely on its armed might to right the old wrongs. In the aftermath of the summit's failure, Nehru's approach from political to legal angles did not yield any dividends. His later strategy as revealed in the so-called "forward policy" in Ladakh was premised on an unshaken conviction that while it could spark off sporadic border clashes, it would not lead to war. In the event, Beijing's use of force to ensure possession of its self-determined frontiers/borders was to shock New Delhi beyond belief.

In the next few years, to Nehru's utter disbelief and embarrassment, the border issue precipitated: in 1955, there were intrusions at Bara Hoti in the middle sector; in 1958, Beijing indicated that the Aksai Chin road in Ladakh had been built in what it claimed to be its territory; and in the 1959, there were bloody clashes at Longju and the Kongka Pass in the eastern and western sectors respectively.

The 1962 war helped to consolidate the territorial formation of the Chinese state. There was no possibility now of undoing Beijing's aggression much less rolling back its newly acquired gains. While its military victory enhanced China's image and standing in the Third World, India's debacle on the battlefield lowered its prestige. Moreover, India lost its credibility as an independent actor on the international stage. The fact that it sought US aid while China ordered a unilateral ceasefire and withdrawal compromised the Indian position even further.

Among the issues that raised their ugly head early on was the question of Beijing's maps showing large tracts of Indian territory as parts of China. Maps are important national symbols that can be used to establish emotional pictures in the mind. There were all the more disturbing in that India's northern borders had long existed in the collective historical imagination of its people. India's northern frontier under the Raj had been mapped out as the end-product of cartography and imperial concerns; the objective, largely, was to ward off potential threats from Imperial (and later Soviet) Russia. Thus in the western sector, the decision to accept a modification of the Ardagh-Johnson line was by no means arbitrary. For there was an impressive array of cartographic and administrative evidence, of revenue collection data bequeathed by the British and presented with great clarity at the Officials' meetings between the two countries in 1960-61. The same

held true in drawing up the McMahon Line in the east on the tripartite Simla Convention (1914) map; this too had been done after conducting careful surveys all along the border.

Among Nehru's major failings, his critics aver, was his "unrealistic" assessment of China's historical past and of the leadership of PRC. It needs to be mentioned that in the 1953–54 India-China negotiations, Nehru failed to secure Beijing's endorsement of India's border claims and the special rights it enjoyed in such neighbouring lands as Sikkim and Bhutan. In fact, he assumed that his concessions to the Chinese added to the Panchsheel principles of peaceful co-existence which to this day remain China's rhetorical stock in trade. He also assumed that China would not go back on it. Later during his visit to Beijing (1954) when he did raise the issue of Chinese maps and the incorrect boundaries they showed, Zhou Enlai ignored Nehru's concerns. Nehru, sadly, did not press the issue (Gopal, 1986 [vol. 2]: 181, 228–29). A couple of years later, in November 1956, Beijing negotiated a border agreement with Burma which broadly accepted the contours of the McMahon Line. Then Zhou told Nehru that mindful of Beijing's friendly relations with New Delhi, the border with India too would be settled taking into account the existing ground reality. It may be noted that not unlike Burma, India too was willing to make adjustments in specific locations along the McMahon Line. That settlement however was never made. For presently Mao's "leftward swing" altered Chinese perceptions; Beijing now saw all around it an imperialist, and later revisionist, conspiracy to checkmate it.

Meantime diplomatic exchanges between New Delhi and Beijing became increasingly unfriendly if not bitter in their tone and temper. This worsening of ties notwithstanding, Nehru refused to raise India's defence budget much less take adequate measures to prevent a possible assault from outside. To cap it all, the April 1960 visit of the Chinese Prime Minister to New Delhi proved a major political disaster. No compromise solution was in sight and Zhou's alleged offer to swap Aksai Chin for the North East Frontier Agency, if ever made, was not accepted. Both S. Gopal, Nehru's biographer, and Jagat Mehta, his principal aide on the border dispute, deny that any such proposal was ever placed on the negotiating table. Not long after, the establishment of penny packets in Ladakh (May–June 1962) in what Beijing regarded as disputed territory did not yield desired results. Called "a strategy of compellence", the posts had neither teeth nor tail; the troops lacked firepower and had little logistical support. The border war, 20 October–21 November (1962), dispelled all lingering doubts and illusions about China having any inhibitions whatever in employing its superior armed might against India. In retrospect though, apart from humiliating India, there was little the Chinese gained; on the other hand, the impact on New Delhi's defence planning, strategy and military organization in the years to come was profound (Whiting, 1975; Garver, 2004; Ranganathan and Khanna, 2000: 1–55; Bhattacharjee, 2000: 427–45; Lall, 1998: 442–56).

A word on the situation in Tibet and the Dalai and Panchen Lamas' visit to India in 1956–57 may be of relevance. As it drew to a close, it was clear that the

Tibetan ruler was less than keen to return home while Zhou who paid two visits to India in the course of a month did his best to persuade him to go back. So did Nehru. The Prime Minister's overall policy on Tibet was circumspect if not exactly timorous; his critics, as mentioned earlier, have rated it a policy of kowtowing to China.

As to the March 1959 rebellion in Lhasa which embarrassed them no end, the Chinese blamed India in a big way. Not only was New Delhi complicit in fomenting it but in collusion with the US it orchestrated the flight of the Dalai Lama. Beijing viewed the revolt as an outcome of outside instigation and characterized India's reaction to it—which gave comfort to the imperialists—as tantamount to interference in its internal affairs. In the perspective that we now have, it would appear that while India did provide "limited assistance" to the rebels in concert with the Central Intelligence Agency of the US, it had "no role whatever" in the flight of the Dalai Lama.¹

Relevance of Historical Legacy

In the context both of India's military limitations and its political culture of relying on dialogue rather than resorting to force for clinching issues, New Delhi had fashioned a friendly approach towards China. Such a policy has been dubbed as appeasement by Nehru's critics, which, however, fails to capture adequately Nehru's deeply ingrained large-heartedness and his sense of magnanimity towards China. Little did he realize that in his neighbouring land, in sharp contrast to his own, there had been the tradition of a territorial heartland protected from the periphery with the boundaries of the heartland repeatedly pushed forward to incorporate large parts of the periphery. What is amazing is that the cycle repeated to create a territorial state.

It may be noted that during the colonial era, the Britain desired to maintain Chinese suzerainty over Tibet as a means of excluding the Russian threat. While allowing a high level of autonomy for Tibet, the Raj maintained a perceptible British Indian influence to protect its vast commercial interests. In sharp contrast, USSR supported by the US exerted strong pressure on Chiang's Guomindang regime to recognize the full independence of Mongolia (1945). Later Mao who had by no means forgotten China's claims raised the Mongolian issue (1964) with the post-Stalin leadership in Moscow. The Russians suggested that he should discuss the issue directly with Mongolia. Failing to make any headway, the Chinese leader squarely blamed the Yalta agreement (1945) which had placed Mongolia under Soviet domination on the pretext of assuring its independence.

By 1949, both India and China had except for their anti-imperialist sentiments and rhetoric developed a virtually mirror-opposite "nationalist narratives" of their rightful place in Asia. China's traditional sphere of influence included both Inner

¹ Sumit Ganguly has called India's policy on Tibet as "circumspect if not timorous". Nehru "acutely cognisant" of India's military weakness, he avers, was "endeavouring to appease" China.

and Outer Mongolia, Xinjiang, Tibet, parts of Central Asia, the entire Himalayan-Karakoram region including Hunza and Gilgit, Nepal, Bhutan and Sikkim in the central Himalayan region, some of the northeastern Indian states, Burma, Bengal, Vietnam, Thailand and the Sulu Islands. New Delhi for its part inherited a very clear view of South Asia and the Indian Ocean as a single strategic region stretching from the passes of Afghanistan through the Tibetan buffer to northern Burma and from the Red Sea to the Strait of Malacca, with India at the centre. It should be obvious that there was an overlap with both countries perceiving same areas as rightfully falling under their influence and viewing the influence of the other country as a challenge to their own. The status of Nepal, Bhutan and Sikkim, wedged between the two and on the fringes of the Tibetan plateau, have been a perennial source of conflict between the two.

The Chinese point of view, now revealed in authoritative and classified studies (Liu, 1994) of the 1962 war, traced the conflict to Nehru's assimilation of the British imperialist credo. His "core ambition", they underline, was to establish a "greater Indian Empire"—even as the British did—all the way from Southeast Asia to West Asia, embracing Afghanistan, Burma and Tibet. Not only did he imbibe the whole gamut of British imperialist thinking, Nehru also derived sustenance from India's nationalist discourse which reinforced the creed of expansion and domination of neighbouring lands. This, the Beijing studies underline, was the "root cause" of trouble between the two countries. As China views it, India is a regional hegemon that presumes to block the natural and rightful expansion of Beijing's relations with its neighbours (Frankel, 2004: 1–32).

Adapting China's traditional formulation of strategic security—of protecting the heartland by controlling the periphery—to the contemporary period, Beijing is concerned about great power influence in Central Asia, including that of Russia and the US, no less than India's claims to dominance in South Asia. New Delhi's "Look East" policy—which compares broadly to the West German Chancellor Willy Brandt's Ostpolitik for opening up a window of opportunity towards the Soviets in the early 1970s—makes Beijing uncomfortable. And it is worried no end with US presence in South Korea, Taiwan and Japan (Tellis, 2000: Chapter 3).

A word on Pakistan whose creation deprived India of its own geo-strategic advantage. India lost its location on the southern border of Afghanistan with its western flanks adjacent to the Persian Gulf and its eastern boundaries abutting Southeast Asia. Pakistan, both in the west and the east (Bangladesh after 1971), now occupied these positions. Islamabad is likely to remain not only an important factor in Sino-Indian relations but one that compels India to pursue indirect approaches. While China's support does not translate into an endorsement of Islamic revivalism, its subtle relationship amounts to do the minimum necessary to preserve Pakistan's security from a distance even while avoiding all "overt entanglements" (Cohen, 2005: 62–64, 319–23).

The Cold War between PRC and the Soviet Union in the 1960s and 1970s had its impact on Beijing-New Delhi relations because of India's alliance with the

USSR. It should follow that if the US in the present were to adopt a policy of containment of China while embracing India as its "natural ally", the result may well be a hostile relationship between China and India as well as between China and the US. In the event, if the US and India do not work for a close collaboration against China, the so-called Sino-Indian rivalry is likely to be a one-sided affair.

India sees it differently. With its mounting clout as an emerging super power, Beijing is engaged in checking India's growing influence through military and economic assistance programmes to such neighbouring countries as Pakistan, Bangladesh, Nepal and Sri Lanka. In sharp contrast to East Asia (viz., Korea, Japan), China's ties in South Asia have primarily been political-cum-military. All Chinese rulers—and Mao was no exception—had "always" felt an "overpowering obligation" to preserve the unity of their civilization and could therefore make "no compromise" in their cultural attitudes about "power and authority" (Wei-ming, 1991: 1–32). Nehru's actions towards China in the 1950s, when it was most isolated in international fora by the refusal of the US to accord recognition to the newly proclaimed People's Republic of China as its lawful representative, were motivated by feelings of moral righteousness. He was convinced that by virtue of the example set by New Delhi's behaviour, Chinese cooperation could be won for India's goal of constructing an Asian balance that would limit the influence of all western powers, especially that of the US. India's concessions on Tibet which eliminated the western buffer between itself and China, its advocacy of the latter's representation in the UN and its sympathetic attitude towards Beijing in negotiations after the Korean war (1953–54)—all need to be viewed in this larger context.

True to the tradition of its political culture, India took the lead by example; China, from the military perspective of realist, premises. Understandably, Nehru's allegedly implicit assumption of superiority at Bandung (1955) was viewed by Zhou as an assertion of India's hegemony; the deeply resented role of an elder brother. In reality, what was at stake was India's idealist tradition which emphasizes the natural harmony of democratic societies in sharp contrast to China's realist tradition that underscores the primacy of differences in relative power. No wonder, only seven years after Bandung, Beijing's armed assault in October 1962 was viewed in New Delhi as an act of Chinese "betrayal". On the other hand, inasmuch as Beijing viewed the (1962) "war" as one unleashed by New Delhi, its traditional "cult of defence" became operative. Combining realpolitik with Confucian pacifism, the Chinese have always convinced themselves that they use force only as a last resort. Under Mao, it should perhaps be underlined, the "gun served the Party" even though—after the Cultural Revolution—the PLA increasingly asserted its own views on national security (Scobell, 2003: 10, 198).

Relevance to the Present

The way negotiations have proceeded over the past quarter of a century and more, the border problem may remain unresolved and be pushed to a low-priority position

in India-China diplomacy. The mainstream Chinese perspective underlines the "possibility" of China and India resolving their future problems through diplomacy and related action. On India's part, it has been suggested that while diplomacy, cooperation and a certain warmth towards China may be cultivated, it would be well-advised to exercise maximum caution. Needless to add, India's security policy rests on a continued commitment to modernizing its defence capabilities. Nevertheless, both emerging powers growing at historically rapid rates would remain natural competitors.

It has been suggested that New Delhi has to date refrained from repudiating the 1954 border agreement over Tibet so that the latter remains "an enduring irritant" in its relationship with China. India's support to Tibetan exiles bothers Beijing no end. So does India's nuclear programme. What worries New Delhi on the other hand is China's growing military presence in Myanmar and the conviction that the Pakistani nuclear threat has largely been the making of China through the transfer of nuclear weapons and missile delivery systems. It is also fair to suggest that the competition between the two powers in the sub-regions of Central Asia, South Asia, the Persian Gulf and Southeast Asia will not abate in the foreseeable future.

In retrospect, while Nehru's domestic critics rigorously confined his negotiating space, his Chinese counterparts in Beijing were ruthless in their public vilification of the man who genuinely desired and earnestly hoped for a peaceful settlement of differences with China. Beijing's oft-repeated statements "mutual understanding and mutual accommodation" as the basis for a fair border settlement proved to be an exercise in self-deception.

February 2005

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Of Related Interest

INDIA: A NATIONAL CULTURE?

Edited by:

GEETI SEN

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Book Reviews

Understanding the Muslim World

RIYAZ PUNJABI, ed., *USA and the Muslim World: Cooperation and Confrontation* (UK: Brunel Academic Publishers, 2004). Pp. 290. Price Rs 750.

This book is the outcome of a seminar recently held in Jawaharlal Nehru University and contains eight papers on various facets of America's relations with the Muslim world. Riyaz Punjabi's synoptic survey of movements that have used Islam as a tool of political mobilization and action in modern times provides the necessary setting for discussing the subject. It shows that Islamist groups vary in their origins and objectives, most of them having started with domestic social and political goals but carrying pan-Islamic overtones. Militancy on an international plane entered the picture only in recent decades.

M.H. Ansari's paper begins by noting how nebulously the terms "Muslim world" and "Muslim states" are employed in current writings. On his main theme of "America and the Traditional Muslim States" he makes some discerning points. America's early images of Muslims, including the Arabs, were far from flattering, based as they were on ignorance or prejudice, or both. However, in matters of trade and commerce these perceptions were put aside and a pragmatic approach was adopted. Washington's crowning achievement was the signing of the Saudi oil concession in 1933. America's interests and influence in the region rose steadily thereafter until the Iranian Revolution of 1978–79 marked a major setback. Concurrently, growing Palestinian unrest under Israeli occupation and mounting Arab resentment against American patronage of Israel and the cultivation of a patron-client relationship with authoritarian regimes in the region gave rise to a host of militant Islamist groups seeking American targets for terrorist action. As a seasoned diplomat who has closely observed the Saudi scene, Ansari also gives us valuable insights into the inner mechanics of Saudi-American relations in recent years.

Rakesh Gupta explores the broader field of forces shaping American foreign policy in the post-colonial era. Its perceived interests as well as the exigencies of the Cold War pitted Washington against a whole array of secular nationalist leaders in the Muslim world such as Musaddiq, Nasser and Soekarno, while staying in close embrace with military dictators and conservative monarchs. He also sees America's war against terrorism as part of its perennial drive for dominance.

In a joint paper, B.K. Shrivastava and Manmohan Agarwal examine the problems of American policy against the backdrop of competing interest groups lobbying for attention and influence in Washington's corridors of power. Their conflicting perceptions of Islam and Muslims often range from reasonably well-balanced to downright antagonistic. The authors cite the case of Michael Sells' book *Approaching Quran*, which attracted vituperative attacks from the likes of Norman Phodoretz and Reverend Franklin Graham for contradicting the negative image of Islam held by some Americans. Official Washington, on the other hand, has shown studied caution on this subject. In the early 1990s when Huntington publicized his thesis on "Clash of Civilizations", with Islam and the west confronting each other in an apocalyptic contest, the Clinton administration had distanced itself from the Harvard don's nightmarish vision. Likewise, George W. Bush was mindful, in the wake of 11 September 2001, not to designate his war on terror as a war against Islam and the Muslims.

The authors also note that "fundamentalists and extremists do not live in the Islamic world alone". One could add that President Bush owes his recent election victory in no small measure to millions of evangelical Christian voters whose views on world affairs are in substance not much at variance with Bin Laden's.

While focusing on the ongoing frictions between US and the radical Muslim states A.K. Pasha draws attention to Washington's curious dilemma in the Arab world: anti-American public confronting pro-American governments. This renders current American claims favouring democracy in the Arab lands plain hypocrisy. It is nevertheless arguable that public participation in governance, which is sadly lacking in most of the Muslim countries, might not necessarily produce anti-American regimes. On the contrary, it could even generate pragmatism, based on mutual benefit, in the relationship between the two sides instead of the patron-client relationship that presently obtains.

Kalim Bahadur, a leading Pakistan watcher, traces the meteoric rise of Islamist groups in Afghanistan and Pakistan to American policies towards these two countries. His well-documented piece offers useful data and insights. It reminds us that some 35,000 Muslim militants from forty countries were mobilized for the American-sponsored *jihad* in Afghanistan. Pakistan became the springboard for the *jihadists*, providing sanctuaries, training and consular assistance to militants including Bin Laden. That whereas America supplied arms for the *jihad*, Saudi Arabia provided the funds. And that Washington had been willing to do business with the Taliban, despite their horrid human rights record, until the latter emerged as Bin Laden's chief protector. The author further shows that after the Soviet exit from Afghanistan, Pakistani militants started increasingly targeting the Shias at home and the Indian state of Jammu and Kashmir. Besides, both before and since September 11, Indian pleas to Washington to declare Pakistan-sponsored militants on the Indian soil as terrorists were responded to by homilies on human rights. He is also skeptical about the Pakistani military leader's willingness or capacity to rein in the militants. In fact the forced exile of top leaders of mainstream secular

parties has left the field open for religious right to emerge as the major political force in the country.

Of the remaining two papers, the one by Abdul Nafey dwells upon the status of civil society in Islam. He cites chapter and verse to show that the *Quran* encourages religious and cultural pluralism but without explaining why this trait is relatively weak in many a Muslim state. The other by Saleem Kidwai deals with conflicting interpretations of the term "*jihad*" ranging from "striving in the path of God" to "war" against the infidels. He could as well have added that *jihad* in the latter connotation was initially invoked in recent times in the American-backed war against Soviet occupation of Afghanistan.

In sum, the book offers evidence of both cooperation and confrontation in the relationship between the United States and the Muslim world, which is perhaps also true of some other regions in today's world. What is distinctive about a good part of the Muslim world is that its cooperation with the US is perceived by many of its own people to be governed by inequitable terms. The latter do not, however, seem to see equally clearly that the Muslim world needs to catch up with the modern times educationally, economically and politically to redress the present imbalance.

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India's Economic Policy

C.P. BHAMBHRI, *Globalization and India: Nation, State and Democracy* (Delhi: Shipra Publications 2005). Pp. 230. Price Rs 550.

Professor Bhambri is a committed socialist and very keenly interested in establishing a democratic and just international order. He is thus deeply perturbed about two major developments of the past couple of decades, namely, the collapse of the Soviet Union that has created a unipolar world and the adoption of a more market oriented approach to economic management in the former centrally planned economies as well as in many developing countries. Like many other social scientists concerned with issues of poverty and income distribution or those concerned with the lack of democracy in international organization in a unipolar world he grapples with the implications of these trends for developing countries, particularly for India.

Bhambhri's passionate concern with the issue of developing a more democratic and just world comes out very clearly in the book. But unfortunately, the passion may not be sufficient to convince those unconvinced about his stand let alone those opposed to his ideas. The passion at times betrays him into making mis-statements that unnecessarily detract from his message. Just to give two instances. On page 43–44, he states that in 1999 there was a contest for the post of director

general of WTO between Mike Moore of New Zealand and Dr. Supachai of Thailand. He continues that the will of the US prevailed and the New Zealander was appointed as the DG. But in reality the will of the US did not prevail and the term was split between the two. Professor Bhambri states further that the United Nations and the Security Council have become "handmaidens" of western countries as dramatized during the events of Kosovo and East Timor. But the western countries could not be sure of getting a UN Resolution that they wanted and so used NATO.

Let me now discuss Bhambhri's main thesis. He maintains that the government abandoned its national project of developing a self-reliant economy (p. 11) at the behest of big business and a greedy middle class, the lower middle class, the petit bourgeoisie and big bourgeoisie, the sole beneficiaries of globalization. A subsidiary indictment of the policies adopted by the government is that it has embarked on a process of fiscal consolidation at the behest of the World Bank (WB) and the International Monetary Fund (IMF). Let me first discuss the subsidiary charge. The deficit of the central and state governments in India is about 10 per cent of the GDP—one of the highest in the world and about the level it was before the crisis in 1991 that led to India borrowing from the IMF. It does not seem obvious that there has been much fiscal consolidation. There is definitely the need for a more detailed analysis of what an appropriate policy would be. Are there no limits on a sustainable deficit? Furthermore, it is not clear how the IMF can influence policy in India since the Indian government is no longer borrowing from it. Originally when the government had borrowed from the IMF in 1991 it had indicated that it would return to the Fund and borrow under the Extended Fund Facility. The conditionality imposed by the Fund for the original loan was very mild if one compares it with that imposed on other countries. The Indian government knew that the conditions for further loan would be much harsher and therefore did not go back for it once the balance of payments position improved and the need for further borrowing disappeared. The government has been very clear in only borrowing when there has been a dire need and has avoided getting into a situation where it would have to comply with conditions that were either politically difficult or in whose economic efficacy the government did not believe.

Let me now address Bhambhri's main argument. Firstly, the question arises as to what one means by a self-reliant economy. It obviously does not mean an autarchic economy. How does one determine which industries one should develop and how much one should trade? The considerable research that has been undertaken over the last four decades has reached the conclusion that the import substitution policies that most developing countries had adopted had not been successful and developing countries including India have abandoned their import substitution policies under the weight of this research. It is also this research and the economic crisis faced by the command economies that resulted in their abandonment of this system. Many social scientists quote from Stiglitz's book on globalization. But

few are aware of the totality of his research that does not support import substitution policies. In an earlier book *Whither Socialism* (MIT Press, 1994) he discusses why socialism was bound to fail. Also in the "Global Prospects Report" produced by the Economics Department at the World Bank that Stiglitz headed it is stated that the open policies adopted by the East Asian countries helped them to better overcome the crisis. In this context, it is pertinent to point out the one acerbic and somewhat personal remark when Professor Bhambri calls Professor Bhagwati a pamphleteer. Given his prolific serious research output over four decades this is an incorrect characterization.

We now discuss whether the earlier project of developing a self-reliant economy had been a success. It must be remembered that about 25 per cent of total investment and 33 per cent of public investment during the Second and Third Five Year Plans was financed by aid. This dependence on aid made India very vulnerable. Ever so often the threat was made that aid would be withdrawn if India did not change her economic policies or its foreign policies. For instance, a secret five year renewable agreement was signed in 1950 under which the US would purchase 25 per cent of India's production of beryllium oxide used in nuclear production. Later under US pressure, India stopped the export of this to China; the strategy was to book India to sell more to the US. Sometimes India resisted and sometimes succumbed. India devalued in the mid-1960s and adopted an almost neo-liberal trade policy. But even this did not satisfy the US that wanted a change in India's foreign policy. So aid was cut off, and, in the ensuing adjustment, per capita income declined between 1966 and 1973. Furthermore, the Indian economy was very vulnerable to shocks. Poor harvests in 1965-66, oil price increases in 1973-74, 1979-80 and during the Gulf crisis of 1990-91, all resulted in Balance of Payment (BOP) crises that required India to approach donors for assistance. Contrast this with the situation in the 1990s when the economy could cope very well with the East Asian crisis and the recent increase in oil prices which did not push the country into a crisis. But one of the drawbacks of the new policies has been the lack of growth of employment whereas its proponents expected reforms to encourage growth of labour intensive industries. This anomaly definitely needs further analysis. Professor Bhambri's book opens a whole new research agenda to examine what are the appropriate external policies for a country in the current circumstances, and I have concentrated on this. There is much in the book to savour.

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South Asian Problems and Challenges

RAMESH THAKUR and ODDNY WIGGEN, eds, *South Asia in the World: Problem Solving Perspectives on Security, Sustainable Development, and Good Governance* (Tokyo: United Nations University Press, 2004). Pp. xxiv + 451. Price not mentioned.

South Asia is a dynamic region of international concern for many reasons. It has one of the world's oldest conflicts (over Kashmir) between two nuclear weapons powers—India and Pakistan—and over a dozen sub-national movements for secession and autonomy. Violence is endemic and institutionalized in most of the societies in South Asia which has also concomitantly experienced four major interstate wars since 1947. As the US-led war on terror shows, the epicentre of international terrorism is located in and around South Asia. The infrastructure and resource-base that the international terrorist network has created have caused serious global security concerns. Being the home of one-fifth of humanity, the crowded region is known for a number of socio-economic disabilities and disadvantages. Coupled with this is the issue of environmental degradation. All these problems together constitute a major challenge to peace, security, development and governance in the region. The volume under review makes a critical analysis of all these problems in a coherent manner, buttressed by rich data. As the authors are drawn from both South Asia and outside, clearly cross-regional and international perspectives have emerged from their analyses of various issues confronting the region.

The volume makes a compulsive argument that the world has to take cognizance of South Asia because developments there tend to influence the contours of the global community. Recognition of South Asia's potential and challenges means that the people in the region, it is argued, should be involved in decision making on critical issues relating to peace, security and development. In this context Lloyd Axworthy, in his foreword to the volume, makes a forthright admission that, "If there has been one sin of omission that cries out for redemption it is the exclusion of the people of South Asia as rightful, full-fledged partners in making decisions at the United Nations that affect global society" (xxiv). The same feelings have found expressions in a brief essay by I.K. Gujral who rightly observes that the international system and the global political and strategic order have contributed to conflicts and violence in South Asia. While Gujral passionately argue for South Asia's rightful place in the world system, Sartaj Aziz, in his overview essay, urges the United Nations to take initiatives for permanent peace between India and Pakistan. The difference between the two is that whereas Gujral has sought to take South Asia to the UN system, Aziz is keen to bring the world body to the region with the specific objective of making regional peace.

The twenty-three main chapters are grouped under eight different themes dealing with the issues of military security, human security, development, governance, environment and regional cooperation. Recent developments in Afghanistan form

a separate section and the final one focuses on the prospects for peace between India and Pakistan. Against the backdrop of the nuclearization of South Asia, Stephen Cohen makes some credible baseline projections of the strategic status of the region by using political and military variables. The analysis is done at three levels: India-Pakistan relations, India-China relations and the global strategic environment which has a greater bearing on South Asia. Changes in India-Pakistan relations are hard to envisage. At the same time, repeated crises have reminded both countries of the danger inherent in pursuing hostility over Kashmir. Cohen's prognosis that a settlement on Kashmir may not lead to reduction in weapons acquisition by India and Pakistan is quite acceptable to many analysts in the region. He finds the improvement in India-China relations promising; the trend seems irreversible. Finally, the critical US role in the region is also underscored and reiterated. Whether one likes it or not, US influence remains recognizably crucial in moderating the belligerent behaviour of India and Pakistan. More than any other reasons, as Christopher Carle argues in his chapter, the nuclearization has increased the international community's concerns for regional peace. Thus, South Asian insecurity is highly internationalized. As chapters by Baral and de Silva explain, internal conflicts and terrorism have further vitiated the regional security environment.

Despite the fact that South Asia accounts for greater violence and death, it has also been one of the major contributors to international peace. Nambiar and Roomy assess contributions of the South Asian states, especially India, Pakistan, Bangladesh and Nepal, to international peacekeeping. While it is true that the commitment of these countries to the UN Charter has remained the fundamental motivating factor behind their participation in peacekeeping operations, the missing point is to what extent does economic incentives create an interest among them to send troops for such UN mandated peacekeeping roles. It is important that the South Asian states develop a regional understanding on their collective role in peacekeeping as it would help them in gaining greater recognition of their views and securing leadership positions.

Two chapters by Pasha, and Sobhan and Zaman provide an interesting analysis of issues and challenges to socio-economic development. Commendably, Pasha has examined the role of pro-poor policies in poverty alleviation. With impressive data and interpretations, he argues that South Asia is far from reaching the Millennium Development Goals even though the incidence of poverty is estimated to have declined in India. His suggestions to have a comprehensive policy to reduce poverty are convincingly credible. Similarly, the chapter on trade and investment presents a comprehensive picture of the opportunities and constraints in achieving an accelerated growth of trade and foreign direct investment. The dismal performance of SAARC in forging a meaningful economic cooperation is highlighted. The author's suggestions to develop mechanisms, infrastructure and political will to carry forward a coordinated development strategy need to be considered seriously by all those governments committed to achieving accelerated economic development in South Asia.

Issues of governance are many in South Asia. Lack or underdevelopment of democracy is one among them that Adhikari's chapter addresses in a regional comparative perspective. Whereas the problem in Afghanistan and Pakistan is about establishing democracy as an effective system of governance, in India and Bangladesh it is about making democracy to work for better governance. In Sri Lanka, as Saravanamuttu's chapter explains, democracy is vibrant but it is illiberal in the sense that it has ignored the political aspirations of the minorities while bolstering the position of the majority, resulting in a civil war for the past twenty years. However, opportunities to change the pattern of democracy and the framework of majority-minority power relations are brighter with the involvement of the international community for peacemaking. Noticeably, both chapters deal with the issue of governance from a narrow perspective of democracy and pluralism. A comprehensive analysis of the theme needs to include a wider array of issues relating to socio-economic and political development in South Asia.

Three chapters examine the issue of environment in a broader perspective of security, development and bilateral relations. Adeel and Piracha ably demonstrate the link between environmental degradation and economic under development by analyzing the state of the environment in South Asia. Stresses on water resources, land degradation, deforestation and pollution are potent indicators of environmental problems which the whole region experiences. In a different way, Najam examines the environmental dimensions of human security. The five lessons that he has drawn in the context of South Asia are fascinating. They are: environment and security should be linked to sustainable development; the common challenge of environment and security in the region is primarily local; such a challenge stems from problems of institutions and governance; environmental differences can add to existing bilateral tension; and prospects for a new generation of relations around environment and security are not bright. Swain, in the context of water-sharing, rightly contends that bilateral cooperation in the environmental field has made very little impact on other areas of relations between the South Asian countries.

Though SAARC has been evolved as a regional mechanism for confidence building among the member countries, South Asia does not have a specific organization to manage and ensure regional security. Highlighting this omission, Naik in his brief essay makes a fervent plea for a Security Organization for South Asia (SOSA) whose acceptance as an idea even before its formation is difficult in the present political situation marked by mutual threat perceptions and belligerent behaviours especially between India and Pakistan. Rodrigo's highly informative essay on SAARC gives a fresh insight into the working of the regional forum. Being an insider who headed the SAARC Secretariat, he has a sense of optimism about the future of the regional grouping.

Human security is analyzed in a different perspective. Focusing rather narrowly but very significantly, three chapters deal with the security of women and children who in the mainstream human security debate, figure scarcely, if they are not completely ignored. Variables adopted to assess human security of women and children are: education, nutrition, water and sanitation, etc. NGO activity in this

regard is considered to be aimed at achieving human development and human security.

Three chapters on implications of the 11 September 2001 terrorist attacks and the US-led war (against the Taliban regime in Afghanistan) for South Asian security make for fascinating reading. Written by three distinguished scholars (Ahmed, Ayoob and Saikal), they are empirically rich and analytically sound in forecasting emerging trends in regional security relations. As demonstrated, the terrorist attacks on the US and the war on terror have put South Asia in a spotlight as the epicentre—Afghanistan—of terrorism is organically linked to the region. While the events have enhanced the vulnerability of the region, they have also created opportunities for bringing about changes in power relations between the countries of the region and the sole super power, the US. While drawing road maps for India-Pakistan peace, the last two chapters by Yasmeen and Parthasarathy make laudable recommendations aimed at changing the pattern of relations from conflict to cooperation. They cover every aspect of political, economic and security life in the region. Here again, the external role, especially of the US, in regional peacemaking is considered useful. The volume is an excellent compendium of problems and challenges facing South Asia. It is an impressive handbook on understanding the region from more than one perspective.

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Changing Sino-Indian Relationship

KESHAV MISHRA, *Rapprochement Across The Himalayas: Emerging India-China Relations in Post Cold War Period—(1947–2003)* (Delhi: Kalpaz Publications 2004). Pp. 360. Price Rs 790.

The relationship between India and China has direct consequences for peace and security in the South Asian region. Both are ancient nations with rich civilizations and a long historical tradition of dealing with each other. Further, both emerged as nation states almost at the same time in late 1940s and in that sense they both are young nations trying to carve out their own place in international politics. Although both the countries initiated the process of nation building generally from the late 1940s, the models of their development as well as political systems were not similar. India under Nehru's leadership had an idealistic world vision in which India expected to have a friendly relationship with China to take on the rest of the world. Prime Minister Jawaharlal Nehru persistently viewed Indian independence and the Chinese revolution as parallel expressions of resurgent nationalism. By 1955 it became obvious that the relationship between the two Asian giants

was becoming competitive in nature and clashes of their national interests gradually unfolded leading to the 1962 war between the two.

Keshav Mishra's book under review traces the historical background of the India-China relations and highlights their relationship in the post-Cold War era as well. Although the title of the book restricts the time period to 1947–2003, quite a few references are found in the text about their relationship even in 2004. The sub-title of the book is confusing. If he is focusing on "Emerging India-China relations in Post Cold-War period", one fails to understand the periodization of the book from 1947 to 2003; the post-Cold War period starts from 1992, not 1947. It appears that initially the study was conducted for the period 1947–1991 and subsequently the post-Cold War period from 1992–2003 has been added. This is reflected in the confusing preface where the author has given two different types of chapterization for the same book.

The book is divided into eleven chapter, each of which is decided by a key turning point in India-China relations. It starts with the historical background (1947–1962), then moves on to the period of stalemate (1963–1975) and rapprochement (1976–1991). The next two chapters deal with the regional and international setting within which the relationship evolved. The next six chapters deal with the twists and turns of the relationship in the post-Cold War period. Here too, apart from three chapters dealing with bilateral relations, the last two chapters deal with regional and international settings. The book ends with a conclusion and a bibliography. Interestingly, the author has omitted mentioning internet sources in the bibliography although he has used them quite extensively while dealing with the post-Cold War period.

The author has quite appropriately highlighted how India, under Nehru's leadership, went out of the way to cultivate China in the international arena and tried to establish friendly relations. He has also brought out the international dimension of China's hostility towards India. However, a crucial lacuna is that the author has failed to trace the source of the conflict and rivalry between the two nations to emerge as a model for the rest of Asia and also to a claim for leadership in the region. The competitiveness of their relationship was clearly noticeable in the Bandung conference of 1955 and thereafter. However, the author has not dealt with this crucial aspect in his book, despite his consistent stress on the competitive nature of their relationship throughout the period under study. This competitiveness and later rivalry between the two nations manifested in the form of border disputes and differences over the Tibet issue. This tension and rivalry led to an open war in 1962 and thereafter, India-China relations were frozen into a state of hostile coexistence. The author has maintained that the stalemate continued despite India's flexible approach.

In the mid-1970s a significant change in leadership took place in China with the passing away of Mao Zedong. Mishra lucidly presents the various reasons why the new Chinese leadership sought to improve its relations with India. Some hope was raised in China about India reorienting its foreign policy when the Janata Party government stated that it was committed to "genuine nonalignment". The author has explained in detail why their relationship could not blossom as

they had different positions as to the *modus operandi* for the normalization of relations. From early 1980s onwards both the countries realized the need to change their conflictual relationship. After direct contacts at the highest political level the process of normalization started but it was a long and tortuous one. The author argues that "India's position evolved around more or less to the Chinese position that bilateral relations be improved in various spheres while the border issue remained frozen," (p. 59).

The author has elaborated how under the leadership of Rajiv Gandhi a definite step was taken towards speeding up the sluggish process of normalization. He has highlighted the establishment and functioning of the Joint Working Group on the boundary issue and the other Joint Working Group on economic relations and trade, which came into existence after Rajiv Gandhi's visit to Beijing in December 1988 (pp. 66–67). It was through these working groups that India and China were engaged in confidence building measures. Considering the sensitivity and complexities of their relations, both sides were following a cautious and step-by-step approach to amicably resolve their differences. The author has demonstrated how their common concerns for development have opened up new vistas for economic cooperation since the 1970s (pp. 74–80). The author has also highlighted that increasing efforts were made to strengthen bilateral relations in the field of science and technology and culture. As a result of all these developments, the process of India-China rapprochement stabilized firmly by the beginning of the 1990s.

In the changed international context after the disintegration of USSR, both India and China realized the urgency of stabilizing the borders and further improve bilateral relations in an uncertain world order. The author states that, "Both were apprehensive of and wanted to resist US attempts to dominate the world order," (p. 146). The author focuses on how high level political interactions contributed to enhance the understanding between the two nations, leading to all-round improvement in their relationship. The author has also highlighted the beginning of high-level military exchange which is designed to enhance mutual interactions between defence establishments of both the nations.

While China continued to further improve its relations with India, it did not wish to downgrade its existing relations with other South Asian countries. In particular, Sino-Pakistan relations continued to evolve into an autonomous one irrespective of India's great concerns over their enduring defence relations visible in the field of nuclear and missile cooperation. It appears that China's intention is to "build up" Pakistan not only to contain and neutralize Indian power, but also to tie India down in subcontinental powers. Therefore, according to the author "China in South Asia was pursuing policy of both engagement and balance of power" (pp. 179–80).

The government of India, led by the Bharatiya Janata Party, tested five nuclear devices in May 1998. The author has emphasized that contrary to the common perception of an Indian-Pakistan nuclear contest, China was in fact the most important factor to induce India to exercise its nuclear option. The cumulative effect of the Indian nuclear explosion and China's strong response reflected in its strident anti-India propaganda resulted in a brief breakdown of the India-China

rapprochement in the year 1998. However from 1999 both sides restored the process of rapprochement and began the policy of engagement in a more substantive and meaningful way. The author has highlighted that India due to its economic growth, foreign reserve and evolving strategic culture in the backdrop of nuclear tests felt confident in dealing with China in a more assertive way. China in this period was slightly more responsive to India's concerns. The author has also pointed out that India strongly desires "result oriented negotiations" on border issues but China continues to emphasize the need for "patience and right condition" to settle the vexed India-China border issue (p. 220). On the international setting, the author has very ably brought out how both India and China are apprehensive of a unipolar world dominated by the US but at the same time both are competing for friendship with it. Due to an assertive US policy in global affairs, both India and China emphasize the promotion of a multipolar world order.

This book is a valuable addition to existing literature on the subject. It gives detailed accounts of not only the development of bilateral relations between India and China but also of regional and international settings within which the relationship has evolved.

This book is not without flaws. One of the most disturbing aspects is the lack of proper proof reading because of which errors are found throughout the book. This distracts the reader and hampers smooth reading. Another major flaw is the extensive reliance on secondary sources when many primary sources are easily available on the subject. Further, some of the citations from the secondary sources are unnecessarily long. Yet another flaw is too many confusing and unnecessary sub-headings which prevent a coherent and logical flow of the subject matter. There should have been one introductory chapter to provide an overall view of the book. These drawbacks aside, the author's main contribution is in tracing the changing nuances of India-China bilateral relationship within the regional and international context.

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Women and Social Movements

ANNA C. SNYDER, *Setting the Agenda for a Global Peace, Conflict and Consensus Building* (Aldershot: Ashgate, 2003). Pp. 153. Price not mentioned.

In most conflicts, the state is either a party or a supporter of one side. Under such circumstances, civil society seeks to play a mediating role in building consensus.

NGOs run by and engaged in women's issues play a key role in consensus building because women use their experience in war and armed conflict and transform it into agency and flexibility to work in grassroots organizations. Women are not found on negotiating tables at times of conflict resolution and most formal structures that deal with war and peace are dominated by men who are party to the conflicts. Women thus find their place at the grassroots level and in civil society organizations. Further, NGOs run by women have moved into the arena of international politics by relating their experiences during international meetings, a trend initiated during the preparation of the UN World Conference in Beijing in 1995.

The book under review deals with how women activists prepare, meet, negotiate and voice their experiences and formulate their demands at such international meetings. In fact, the central theme of the study is not a study of how women negotiate during armed conflict situations but how women's NGOs use conflicts constructively to organize transnational social movements and build consensus on issues of common concern.

This work establishes that women are not a homogeneous category and reflects class, ethnic, race and ideological diversity in their outlook. But what is different and worth noting is how they overcome these differences. The author bases her study on the preparatory and other meetings of the Fourth UN Conference on Women (FWCW) and the NGO Forum of 1995. For two years, she observed and interviewed fifty peace activists at various conferences. At the specific level, she has taken up the cases of three NGOs, namely the Women's International League for Peace and Freedom (WILPF), the Sudanese Women's Voice for Peace (SWVP) and Beneath Paradise (BP) a network from the Pacific Islands.

Snyder details what she witnessed during these conferences where these women's groups were present. For example, in the case of the SWVP NGO delegates from different parts of Sudan had differences with the position adopted by the government delegates. Similarly the delegates from northern Sudan disliked the women from the south. Clearly the Sudanese delegates like most delegations that attend such conferences have diverse and contradictory views leading to a conflict of perceptions between the delegates themselves; in a way these divergent perceptions reflect to some extent the conflict within their societies. Snyder then shows how these groups meet and have conflict resolution sessions between themselves and come to some common understanding.

Snyder provides lengthy details of the conflict resolution processes of the other two groups (WILPF and BP) under study. She shows how coloured women from the Third World used tactics to assert their identity amongst northern women. In the 1995 NGO forum, she shows how coloured women from the north found common cause with coloured women from the Third World. The book also focuses on stories of individual activists, giving their background, their method of mobilization, the tactics they use, and in fact sometimes even describing the intonation of their voices. The frustration and jubilation of negotiations are detailed through an interpersonal description, which is put at par with the issue that is to be resolved.

Snyder brilliantly brings out the role of NGOs in building transnational movements and how these NGOs build consensus despite deep conflicts between them in order to cover common ground. She shows that these conflicts between NGOs are important as they expose the inequalities that exist in non-governmental decision making processes. She argues that the contentions arising from policy development actually increase the understanding between groups having ethnic, regional and other differences and enhance the possibility of cooperation. During these NGO meetings, deep rooted historical conflicts between groups surface and become starting points for dialogue among NGO representatives. Therefore, attempts to resolve conflicts strengthen the network and facilitate the construction of transnational activist identities.

This book will be of interest primarily to those involved in civil society movements and NGOs since its theme is somewhat restricted. Since it does not really deal with how women work during armed conflict situations but only how they build consensus around the issue to present their points of view during international meetings, it is those processes alone which are analyzed. When multiple groups are represented in conferences, especially when governments and NGOs are involved, differences of opinion are bound to arise. And methods of resolving these are worked out. So clearly this is not a novel process. However, documenting how the women's groups represent their views and articulate their demands despite intense conflict makes interesting reading.

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MNCs and Gender Inequality

JUANITA ELIAS, *Fashioning Inequality: The Multinational Company and Gendered Employment in a Globalizing World* (Aldershot: Ashgate, 2004). Pp. xi + 195. Price not mentioned.

The book under review is divided into an introductory section, six chapters and a concluding section. In the introductory section, the author's point that the contribution of women to rapid economic growth of Southeast Asian economies as workers in the so-called, "world market factories" is well documented. This study analyses the role of the firm, in particular, the multinational firm in the generation and perpetuation of the gendered patterns of recruitment and employment. In order to build a foundation for the case study, the first two chapters are devoted to a thorough discussion of liberal and feminist international political economic thoughts and the role of foreign direct investment (FDI). The third

chapter is devoted to the discussion of the juxtaposition of the role of FDI, an export-led economic development process and state effort to correct ethnic socio-economic imbalances in the country. The actual case study is discussed in detail in the remaining three chapters of the book. In Chapter four, the author discusses reasons behind a UK-based apparel manufacturer's decision to move its garment making plant offshore. Chapter five is devoted to presentation and analysis of recruitment and employment practices of the UK-based apparel manufacturer in Malaysia in the context of local gender and ethnic divisions. Chapter six analyzes the evolution of recruitment practices over time and the impact of FDI on these practices. The concluding chapter summarizes the author's contributions and major findings and also makes suggestions for further research on the topic of FDI and gender.

The main theme of the book is to determine the impact of the promotion of FDI for export-led economic development on an entrenched pattern of ethnic and gendered in employment in the developing countries. First the author compares and contrasts the theories and views of liberal economists and the World Bank on the role of FDI in the export-led development process against feminist theories and views. The author challenges, however, the liberal economists' argument that in addition to other benefits associated with FDI, it also changes employment practices in traditional societies by opening employment opportunities for women in the formal sector of the economy. And as more and more women become wage earners, their status improves within the family and in society. The author argues that in their quest for profit maximization MNCs in reality go to developing countries to take advantage of prevailing gender inequalities instead of correcting them. Furthermore, the process of FDI into the export-sector that is dependent upon gender inequalities and the models of economic development themselves are based on gendered assumptions.

The supporting evidence for her thesis comes from information collected from UK-based apparel manufacturers' offshore plant in rural Malaysia. The author uses both questionnaire and interview methods to gain insight into employment practices in the offshore subsidiary of the UK-based apparel manufacturer. She points out at the outset that the location of the plant was solely based on the Malaysian government's political motive to create employment opportunities for Malays—the largest ethnic group in the country. Malaysian population is made up of three ethnic groups, that is, Malays (*Bhumiputra*), Chinese and Indians. Malays are the largest ethnic group in the country. In the early 1950s, when the government initiated the export-led development programme on the one hand, a majority of the Malays lived in the rural areas, had the lowest per capita income of the three ethnic groups and on the other hand, the majority of the managerial and supervisory jobs were held by the Chinese in the country. Thus, the thrust of the Malaysian government's economic policy was to strengthen the economic position of the Malays by creating job opportunities for them. The UK-based apparel manufacturer moved its labour intensive apparel production processes to an offshore location in rural Malaysia where labour was available in abundant quantity and at a low cost.

One of the major finding of this book is that the MNC's hiring practices in UK were not transplanted to its Malaysian facility though the technologies were transferred. At its Malaysian plant, hiring practices mirrored the prevailing hiring practices adopted by local employees. In other words, Chinese males dominated senior management positions, dead-end jobs requiring repetitive operations like sewing were held by Malay women and very few Indians were hired in both the positions at the plant. Plant managers seemed to have a preconceived notion that Malay households were more traditional than either Chinese or Indian households and hence there was more emphasis on women acquiring more traditional skills like sewing. During the interview, the recruiter would try to find out whether women liked to sew. The skill tests also tried to identify skills like dexterity, diligence and nimble fingers etc. that were believed to be needed for a sewing job. Women were also thought to be more docile and hence easy to control. Initially, young unmarried women were hired for sewing jobs but as labour shortages increased married Malay women were hired to fill vacancies. Again, preference was given to those women who had a family member rather than a hired hand taking care of the children because of a preconceived notion that hired hands do not make reliable help. Similarly, other jobs within the production department like cutters, pressers and machinists were considered to be appropriate for males. The author also observes that the wage rate in male-dominated jobs was higher than women dominated jobs by a third or so.

This is a well-written book and makes interesting reading. The author does make a case against hiring practices of MNCs and corroborates findings of other gender studies. However, if one digs deeper into complexities that MNCs and governments in developing countries face, one can see why MNCs may not want to challenge customs and ethnic and gender relations in the initial stages. In a closed society governed by long-held beliefs and tradition, modern MNCs are viewed as alien agencies. Given this environment, if an MNC management tries to change the prevailing social practices and customs, they may find such moves unwelcome. The author does point out that the apparel manufacturing plant did bring women out of the house and from unpaid housework to paid work in the market place. This process in itself broke down centuries-old traditions. The evolutionary process in the hiring practices in western countries was the same. As labour shortages emerged, employers started hiring females in factories and other businesses but only in dead-end jobs. It is only in the last twenty years that women have made headway on the corporate ladder. It can also be argued that the hiring patterns may have been the direct result of the government's directions of giving preferential treatment to the native Malay population. May be the MNC took this opportunity to exploit local Malays, in particular women. Perhaps, on the other hand, managerial and supervisory jobs were given to the Chinese because of their education and skill level. It is also possible that not many Indians applied for these positions because of their preference for trading and caste-related biases.

My overall impression of the book is that it has been written with an ideological bias and has, therefore, failed to see many of the positive externalities that emerged

out of FDI flows in Southeast Asia. I do recommend this book to those interested in globalization and gender issues. This book will also make good reading for policy makers as it alerts the readers about the unexpected consequences of using FDI as a tool of social engineering. This book will be more useful in the light of the current government's policy to attract FDI in the manufacturing sector in India. The experience of Southeast Asia and China brings home the hard fact that it is only export-led growth in manufacturing that can create enough jobs to alleviate rural poverty. India's experience of the last decade does bring home an ugly reality that growth in the services sector is not enough to create jobs for the rural poor.

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Democratic Transition in Chile

JOHN B. LONDREGAN, *Legislative Institutions and Ideology in Chile* (Cambridge, UK: Cambridge University Press, 2000). Pp. x + 280. Price not mentioned.

The democratic transition witnessed in the past decades in Latin America continues to be a subject of intense debate. Elements of the debate, among others, include importantly the circumstances leading to the transition process, the manner in which the transition had been transacted between the military and civil society and the impact the different modes of transition have had on the evolving civilian regimes. Of the transitions that have occurred in Latin America, Chile stands out as distinct for more than one reason. For one, the military dictatorship in Chile was not only the most long drawn out as compared to other countries in the region but also its track record, by all counts, was the worst. More important, the transition process itself was most protracted impinging directly on the democratic consolidation in the country. So much so, that some critics characterize the Chilean experience as an instance of "blocked transition".

Londregan's effort in his *Legislative Institutions and Ideology in Chile* is not simply to undergrid the familiar argument that the "authoritarian enclaves" of power reposed in General Augusto Pinochet had "checked all meaningful attempts at reform" but to go well beyond. In doing so, Londregan digitalizes a picture of the Chilean transition process that looks even more complex than what is commonly seen. To show the finer grains of the complex picture, the author using the legislative committee voting records adopts a high-tech statistical methodology to analyze the roll-call voting data on social and political issues including human rights abuse. Each of the four analytical chapters (Chapter 4 to 7) focuses on the

important legislative committees that dealt with issues relating to the constitution, education, labour and human rights revealing the preferences and the ideological location of the legislators who actually participated in the deliberations. This is done with a view to clarifying the mechanisms affecting the balance of power in executive-legislative relations, which in turn has determined the pace of the democratic transition in Chile.

What emerges from Londregan's incisive statistical analysis is a clearer picture of the pressure points in Chile's democratic transition. On human rights issues, the manner in which the military and its political allies retained an absolute policy of veto is mapped quite accurately. The highly cohesive position shared by the opposition legislators turned infructuous most human rights initiatives emanating from the executive. However, on education policy, given the lower degree of polarization, over time the Concertación was able to move it to its preferred direction. But on labour and social issues the picture is even more surprising. Here, a combination of factors including the razor-thin majority enjoyed by the opposition in the Senate, enabled the government to move the labour policy leftward, which traditionally speaking, divided the right and the left. On social policy, the conservative position taken by several of the Christian democrat legislators itself stymied leftward reforms.

The resulting stalemate and its likely impact on the pace and the process of the democratic transition in Chile are quite effectively portrayed by Londregan. Because of the Concertación's divide on social issues, the opposition has an incentive to focus on this issue area in an effort "to pry apart" the Concertación alliance on the welfare state, while those on the left have an incentive to keep the human rights issue alive as a means of reinforcing the beliefs that hold the Concertación together. Such that, at least for the time being Chile would be saddled with a "Pinochet without Pinochet"!

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WTO Negotiations

MIKE MOORE, ed., *Doha and Beyond: The Future of The Multilateral Trade System* (New York: Cambridge University Press, 2004). Pp. xx + 184. Price \$ 60.00 (HB).

One of the more enduring effects of the Cancun Summit of WTO last year is that it has highlighted areas where the divide between developed and developing countries is the sharpest. Then, for example, an issue for developing countries was the non-implementation of the Uruguay Round agreement on agriculture which reached its peak in the Cancun Summit. While the newly formed G-20 group of

developing countries seemed to be close to an agreement, the walkout by the African countries on the issues of subsidies to cotton farmers in the US effectively sealed the fate of the Cancun Summit. To cut a long story short, it is now clear that the success of the final ministerial meeting of WTO in Hong Kong at the end of 2005 will depend crucially on a full phasing out of the quota system in textile trade and reduction of agricultural subsidies by the EU and US in particular.

However, this would only constitute the beginning of rehabilitation of WTO which was in trouble at Cancun. In this context, this book brings out starkly some of the detailed issues where the negotiators will face challenges in the future. One of the principal contributions of the Doha Round in 2001 was the emphasis on the development dimension of trade agreement. For the first time, the issue of links between trade and environment were brought out in the work programme of WTO. While little progress has been made since then on the issue of the links between trade and environment, Konrad von Moltke in the first chapter of this book argues very clearly how environmental issues are involved in all other negotiating issues like fisheries, agriculture, market access, services and TRIPs, etc. He thus argues how this large environment and development agenda of the Doha Round could be addressed in a coherent and systematic manner.

The issue of development and WTO is the subject matter in particular of Chapter 7 by Jagdish Bhagwati and Chapter 9 by T. Ademola Oyejide. While Bhagwati makes the point that developing countries cannot benefit from trade without integrating the world into a trade matrix by reduction in tariff barriers, Oyejide looks at another point of view. He argues that developing countries do not have the ability to access the advantages of an open trade system and believes that special and differential treatment (S & DT) is important to allow developing countries time to integrate. A similar point is made by Leroy Trotman in Chapter 2, in which he argues that the complexity of the WTO legal system is such that the developing countries do not have the capacity to negotiate objectively. Despite this disagreement it is heartening to see that all the authors agree that the developed countries must give greater market access to developing countries, particularly in agricultural and textile trade.

Starting from the tremulous and failed Seattle Round of 1999, a recurrent issue has been the lack of democratic decision making in WTO. In Chapter 6, Sylvia Ostry argues that WTO should initiate discussions on the national policy making process of members so that this can be understood in negotiations. The other issues raised by Ostry and authors like Baldwin is whether civil society groups should be given a place in the process of decision making in WTO.

The general point made is the need for transparency in decision making in WTO. What is at issue here is the need to change the past practice of four or five countries taking decisions on their own in the now infamous "green-room". Another issue relating to internal transparency is discussed by Peter Eigen in Chapter 8. Here, a point that has been discussed was also raised in the Doha Round: the need for a developing country to control corruption, particularly in government procurement. He argues that developing countries should have a strong

interest in battling corruption because it is the poor who bear the burden of corruption. Hence, developing countries should support the WTO discussion on transparency in government procurement. One of the issues which divided countries at Cancun was the bringing up of new issues like sustainable development and labour into WTO negotiations. The opposing contentions of developing countries and developed countries are the subject matter of Chapters 1, 4 and 8. While the authors argue why this issue should get into WTO negotiations, they fail to understand that the real problem of excessive burden on developing countries negotiating at WTO is already there. However, Baldwin in Chapter 4 does agree that the labour issue should remain in the ILO framework. Finally, in Chapter 9, Patrick Messerlin discusses the impact of the enlargement of EC on WTO while Hamada, in Chapter three discusses the issue of the impact of China's entry into WTO. An important issue discussed by Messerlin is that enlargement will lead to lesser willingness by EU for reforms in agricultural subsidies because the farm sectors of the acceding countries is generally inefficient. The same argument applies to the EU commitment to implement the ATC negotiated in Uruguay. In his chapter, Hamada argues that China can be instrumental in bringing the informal Asian way of settling conflicts into WTO. But, he argues, China should be allowed greater flexibility in implementing its WTO commitments. The Cancun Summit made it clear that till the Hong Kong ministerial in December 2005 crucial issues would remain agriculture and textile trade. This book is a useful contribution particularly for developing countries to prepare themselves for future negotiations.

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Plea for an Alternative Eurasian Vision

MAHAVIR SINGH and VICTOR KRASSILCHTCHIKOV, ed., *Eurasian Vision* (New Delhi: Anamika Publishers and Distributors, 2003). Pp. 351. Price Rs 800.

Devendra Kaushik is one of the tallest Sovietologists in India who has immensely contributed to knowledge by not only publishing his own extremely scholarly volumes on the erstwhile Socialist Russia and Central Asia, he has also trained a large number of Indian scholars who have undertaken serious research activities in the area of interest and specialization of Professor Kaushik. This volume is a testimony to the academic standing of Professor Kaushik that thirty Indian and foreign scholars, have written on various and diverse themes concerning Russia, and Central Asia, and Part VI (of four chapters) of the volume is exclusively devoted to an assessment of the contribution of Professor Kaushik by eminent

scholars like O. Musaev, U. Mirsaidov, Fatih Teshabaev and A. Gafurov. The volume consists of VI parts dealing with reforms and change in Russia; search for a new world order; role of Eurasia; India and Eurasia: reform and change in Central Asia; geo-politics, strategy and security of Eurasia; and India-Central Asia relations.

In a very insightful contribution Victor Krassilchchikov on "The Russian Tragedy; From Catching up Development to Decline" offers a rich historical explanation for the understanding of the collapse of erstwhile Socialist Russia in 1990: Victor observes that "The Russian development as a whole was dependent It was particular dependence conditioned by the necessity to respond to the external challenges ... (which) presupposed the existence of powerful military force." External global factors can never be delinked from domestic development processes and Socialist Russia was not an exception to this general rule. A hostile external environment can always cripple any autonomous domestic development of any country. While blaming the external factor for creating domestic crisis is not an alibi to ignore the role of domestic social forces, it is only a warning that domestic and external politics cannot be structurally dichotomized. The collapse of the socialist system was celebrated by imperialists and their collaborators. Victor concludes that, "And today the question is not whether the Russian Federation will exist as independent state or not; the problem is when and how contemporary Russia will disappear from political map of the world and what part of the former great country will have the same name."

This line of argument is taken further by Yuri Sokolov in his "Dangers of a Unipolar World" and A.G. Yakovlev in "Hand in Hand: We will Win!" Sokolov tells us "The aggression against Yugoslavia showed how illusory the security of any state is if it is not liked by the West (NATO, USA, G-7, Trilateral Commission, etc.), no real reasons are required in order to take repressive measures against the 'guilty'. The reason will be found, if not, it will be invented". How prophetic are the words of Sokolov? Afghanistan, Iraq, Iran, North Korea et al. must obey the American dictates, Georgia, Ukraine et al. must "elect" only those who are acceptable to the sole imperialist America. R. Dharendorf had to write, "Can European Democracy Survive Globalization?" The real issue is, can any state survive without American approval? A very surprising contribution is from Chinese scholar Wang Dehua who maintains that "Globalization is erasing boundaries and building networks between nations and peoples, economies and cultures". And Wang tells us: "The prominent feature of our time is that the trend of multi-polarization has accelerated". Is it so? Except the Chinese scholar, every one knows that the new world order is dangerous because it is "unipolar" and it led Eric Hobsbawm to warn that "The spectre of globalization haunts us". The corrective to Wang's misplaced euphoria about the emergence of mythical multi-polarity, comes from A.G. Yakovlev in his "Hand in Hand: We will win!" who states that "the technologically powerful states" have formed "very closely united military and political alliance" and the result is present NATO. In this dangerous century, Yakovlev

calls for a trilateral relationship between Russia-China-India to act as a counter-vailing force to the imperialist-led unilateral global system. This Eurasian trio can perform a historic role of check-mating the brutal imperialists or one by one, Russia, China and India will be targeted by the imperialists. Alexander M. Kadakin while commenting on "India-Russian Relations" states that: "However, currently trade and economic relations are not commensurate with the political level of interaction, and during the recent summit both sides make clear that they were not satisfied with this situation."

The main message of this rich volume is that Russia-China-India should have an "alternative Eurasian Vision" to deal with the threats posed by imperialism. This volume is a rich contribution in honour of Professor Kaushik and many important scholars have clearly conveyed a message that enlightened self-interest of Russia, China and India demands a coalition of these three countries if they are interested in maintaining their sovereignty and autonomy in the present age of imperialist globalization.

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US Interventions

MARK PECENY, *Democracy At the Point of the Bayonets* (Pennsylvania State University Press, 1999). Pp. xiii + 254. Price not mentioned.

A few aspects of US politics are more contentious or controversial than the respective roles of Congress and the executive branch in formulating foreign policy. In his book, Mark Peceny has focused on the important question of American intervention in the twentieth century through an analysis of Presidential-Congressional actions. Examining US military interventions through the prism of "promotion of democracy", the book highlights how the US tries to reconcile domestic liberal values with the realist vision of the world. Peceny has tried to integrate the roles that security concerns and liberal values play in the decision making of Presidents and the Congress. He has used domestic factors as a major explanatory tool in locating policy in foreign affairs.

At the outset, the author argues that no state has more consistently proclaimed its adherence to a liberal vision, and promoted this vision by coercing others to adopt liberal institutions "at the point of the bayonets" than the US. Noting that the US mobilization of resources in the aftermath of the Second World War and its subsequent interventions have followed a century-old tradition of its "paradoxical practice" of imposing self-determination through military force, the study attempts to reconcile the potential contradictions of being a liberal power. Imposition of liberal institutions on target states has been largely unsuccessful. Clearly,

the question of how absolute was the US commitment to the promotion of democracy, especially when the process of democratization leads to the coming in power of regimes hostile to American interests and policies, is the fundamental issue that the book addresses.

Peceny's examination of the old debate on whether US promotes democracy abroad to protect its security interests or that its liberalism fundamentally shapes its efforts has broad assumptions. The security-based approach suggests that Presidents even after adopting a pro-liberalization policy abandon it when it conflicts with security interests. The liberal approach assumes a universally shared cultural bias in favour of democracy and an emphasis on institutional constraints imposed by the Congress and interest groups that have "pushed the US to promote democracy abroad". In reality as policy makers argue, there is a synthesis of the two in that pro-liberalization policies serve both interests and ideals. This synthesis as Peceny points out does not explain why America pursues illiberal policies, or pursues liberal reforms when such a policy can harm its security interests. Keeping this in mind, he attempts to forge another type of synthesis of the realist and domestic liberal approaches by illustrating the roles played by both security concerns and liberal values in formulating and implementing policy. He argues that Presidents consider security interests initially during military intervention, and if the international system is not threatening. However, if the US faces significant threats in the international environment, if there is an ongoing intense war or when it has limited leverage over the target country Presidents are not likely to push for liberal reforms. The contention is that it is the Congress that exerts pressure through liberal ideological attacks that dissuade the President from abandoning pro-liberalization policies even if the security environment is changing. In order to meet the challenges on the domestic front, Presidents use the promotion of democracy to shore up support, political consensus and policy legitimacy. Positing that unless domestic political actors in important institutional positions use liberal appeals for or against the policy outside of the executive branch, security considerations will be more important extends further explanations of American pursuit of inconsistent liberal policy. In an explicit argument the author maintains "... one must integrate the realist and liberal perspectives to understand fully the conflict behavior of liberal states in an often illiberal world" (p. 6).

The two crucial questions with regard to US behaviour are: first, when should the US intervene militarily to promote democracy?; and second, does the US have the ability to impose "democracy at point of bayonets"?

Beginning with the interventions from the Spanish-American War till the actions taken in Bosnia, Peceny provides a systematic study of American intervention abroad since 1898. He applies statistical analysis to ninety-three cases of interventions and presents six case studies to explain the American operationalization of "promotion of democracy" (p. 16). He then proceeds to include a discussion on sufficient conditions for a state to be classified as a democracy in order to show that the US has sponsored "free and fair elections" in these interventions. What is noteworthy is his explanation of the inclusion of the Iraqi case (1990–1996).

Recognizing that nearly all cases of support for fair and free elections involve a national election (the present US policy in Iraq would perhaps be a better case study), he points out that American support for fair and free elections as a necessary, but not sufficient condition for pro-liberalization policy. Other reforms to promote limited openings in the political system rather than full democratization, which include alliance or sponsorship of pro-American parties and interest groups, supplement American efforts. In a related vein, he submits that American commitment to human rights is rarely absolute. For instance, the US rarely severs ties with an ally due to the violations of civil rights of its citizens by the regime (Pakistan comes to mind!). Instead, it makes efforts to reduce the number of human rights abuses in these countries. Further, the relations between civil-military after intervention is also part of liberal policy. Certainly, one could argue that these are precisely the reasons for not believing in the American intentions of promoting democracy.

While analyzing the six cases under scrutiny, Cuba and the Philippines after the Spanish American War, Vietnam during the Kennedy administration, El Salvador during Reagan's first term, and Clinton's intervention in Haiti and Bosnia, Peceny demonstrates the distance travelled by Presidents from their initial decisions to their final ones. Whether there was vacillation and abandonment or eventual adoption of pro-liberalization policies (regardless of the party of the President), their final decisions were conditioned by the Congressional liberal opposition to the policy underway. In fact Peceny's detailed analysis of the executive-legislature relations in the formulation of US foreign policy provides several valuable insights. To those who argue that only the President directs foreign policy, Peceny convincingly points out that there are phases of strengthened institutional constraints such as those coming from the Congress that have seen significant impact on the final outcome of "promotion of democracy". The heated domestic debates during Kennedy's term on issues like Vietnam and communism illustrate the reverse pressure put by Republican Senators not to pursue pro-liberalization policies' (pp. 100–101). In the case of El Salvador, the Congress could shift Reagan's policy towards a more liberal policy by late 1983, against the President's preferences. Further, Clinton's pursuit of liberal internationalism is explained as an elegant way of reconciling the realist concerns with liberal ideals by emphasizing the security "payoffs" of the promotion of democracy. Again, a detailed account of the domestic constraints on Clinton's foreign policy (seen as more significant than international ones), has been given to show how "democratic enlargement" with a continuing American "engagement" with the international system can blend security concerns of a prudent Congress with a predisposed pro-liberalization policy in Haiti and Bosnia (pp. 160–69).

Finally, the book turns to the question of whether American military interventions in fact lead to democratization of the target states. Conceding that many have in fact called it "negligible, often counter productive, and only occasionally positive", Peceny argues that it is the adoption of pro-liberalization policies during intervention that has a positive impact on the target states, stressing the linkage

between US intervention and democracy. In particular, he points out that American support for democracy and demilitarization has been a central way by which America seeks to strengthen democratic institutions in target countries. Thus, his work offers valuable insights into the relationship between the use of American power, the promotion of democracy and the prospects for liberal peace in the coming years.

Pecený's conclusions are quite convincing. In particular, his argument that American policy makers have engaged in a "relentless struggle to reconcile realist imperatives with American liberalism" has definite merit. The problems it raises though are worth noting. For instance, the conclusion that the US "asserts its hegemony over other states but infuses its foreign policy with liberal purpose" be understood as a common good for the international system needs further evaluation. Also, the impact of domestic restraints on the Presidency that can change or correct the course underway in foreign policy must be problematized against the initialization of a policy during a national crisis. While agreeing that the US uses the argument of promotion of democracy during intervention in order to legitimate to both domestic and international audiences its use of military force abroad, the fact that it has failed to do so several times for a variety of reasons needs re-emphasis. In fact, the current situation in Iraq has reignited the debate on whether the utility of promotion of democracy for the legitimating of American power worldwide is sufficient to determine its purpose. The critical aspect of the work, though, is in pointing to the relevance of factoring into analysis, the "constant struggle between Congress and the President to shape American foreign policy". By pointing to a crucial implication that holds that liberal pacific union is not an inevitable phenomenon that emerges solely from the domestic politics of like-minded states, the book has valuably stimulated further investigation on the integration of liberal rhetoric and America's material interests and its preferred position as a leader of the "Free World".

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Errata

Previous issues of *International Studies* unfortunately carried some errors.

Volume 42, Number 2

Samuel Azubuike, "The "Poodle Theory" and the Anglo-American "Special Relationship".

- Page 123, abstract, line 1: 'criterion' should be 'criticism'.
- Page 129, indented quote, last line: The reference should read:
Foreign Secretary Jack Straw's statement, as quoted in *The Observer*,
16 November 2003.

Volume 42, Number 1

P.R. Kumaraswamy, 'The Cairo Dialogue and the Palestinian Power Struggle'.

- Page 45, paragraph 2, line 4: *hudna* is an Arabic word, not Hebrew.
- Page 52, paragraph 4, last line: 'US' should be 'us'.
- Page 56, paragraph 4, lines 1-2: The first sentence should read:
The Cairo proposal *spoke* of a Palestinian state within areas occupied
by Israel during the June 1967 war.

The oversight is regretted.

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 - Pei, Minxin. 1997. 'Racing Against Time: Institutional Decay and Renewal in China,' in William A. Joseph, ed., *China Briefing: The Contradictions of Change*. Armonk, New York: M.E. Sharpe.
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